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LABOR AND CAPITAL IN NATIONAL POLITICS

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IN NATIONAL POLITICS

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MANUFACTURED IN THE
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TO

MY WIFE

PREFACE

The actual process of government is seen not alone in its structure and laws, but in forms of political behavior however and wherever they may manifest themselves. There is no provision in the Constitution of the United States for the American Federation of Labor or for the Chamber of Commerce of the United States, but it is difficult to think accurately and intelligently about the course of political affairs without reckoning with them and their part in the great drama of national political life. With other similar groups, they have become a part of the political arrangements of the country; and, although occupying no responsible position, they are none the less significant in the determination of political action. These unofficial governments are indeed in many instances and in many ways more important than the regular or formal government itself.

Political parties have long been recognized as intimately related to the conduct of the government, and in some cases it has been officially recognized that they are part of the government itself. But behind the parties—and in some ways becoming more important than the parties even—are these new groupings which begin to relate themselves intimately to the conduct of the political agencies. Their forms of organization, their modes of activity, their new techniques, and their effects on the older forms of government are worthy of the most thorough study and analysis in any systematic examination of the characteristics and tendencies of political action in the American Commonwealth. And it is probable that in the future much more detailed inquiry will be made in these neglected fields.

The interrelations of politics and economics are often the despair of the student, and especially of the formalist who will not deal with situations as they are. But the truth is that politics and economics have never been widely separated, and that in modern times they tend to come still more closely together. New groups take on the form of political organizations and through the older shells undertake to do the work of the government or of the party itself. Just at the very moment when some seem to see the death of politics, the depoliticization of our social organization, the political form reappears in the heart of another situation under another name, perhaps with essentially political implications and connotations of the older and apparently discarded government.

This interrelation of the economic and political groups is strikingly illustrated in the recent experience in Russia with the soviets and in Italy with the syndicates; for in both instances the government reappears within a new shell or framework, with new names but with old faces.

It is the special value of Dr. Childs' study that he has examined the American scene on these two points and has shown the striking development of the activities of organized labor and of organized business, within what might in earlier times and under different situations be regarded as the province of the party or of the state itself. Many other similar studies will doubtless be made, and they will tend to throw important light on the actual functioning of government in the United States.

Dr. Childs has examined carefully the practical workings of these agencies as they approach and influence the formal government. This is a real contribution, not merely in the additional facts and relations that are developed but also in the direction it gives to public attention, focusing interest as it does on a new and continually more important phase of our government.

CHARLES E. MERRIAM

ACKNOWLEDGMENT

To Dr. Charles E. Merriam I owe a debt of gratitude for awakening my interest in this phase of politics, laying the foundation for this study, and making helpful suggestions throughout the preparation of the manuscript. To Dr. Carroll Woody of the University of Chicago, Dr. Harvey Walker of Ohio State University and Dr. Francis Coker of Yale University I am indebted for a careful and critical reading of the manuscript. It is impossible for me to give an inclusive list of the members of the Chamber of Commerce of the United States and the American Federation of Labor from whom I have received helpful suggestions and assistance; but I wish to mention in particular Miss Florence C. Thorne of the Federation, Mr. Joseph H. Defrees, former President of the Chamber, and Mr. Fred Shelton of the official staff of that organization. I wish also to thank the following for their assistance in reading portions of the manuscript and in other ways aiding in the preparation: Dr. Leonard D. White of the University of Chicago; Mr. C. D. Snow, Mr. John N. Van der Vries, Mr. Harry Wheeler, and Mr. John W. O'Leary, officials of the Chamber; Mr. Victor A. Olander, Mr. Edgar Wallace, and Miss Marguerite Steinfield of the Federation; and Honorable Charles Nagel, former United States Secretary of Commerce. In addition to editorial work as an employee of the Ohio State University Press, Miss Jeannette A. Reed compiled the index. To my wife, for whom this study has meant additional work during the past three years as critic, proofreader, and guide, I really owe the final completion of the study.

HARWOOD L. CHILDS

Lewisburg, Pennsylvania
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INTRODUCTION

In these days of phenomenal change, when scientific invention is revolutionizing not only means of transportation, communication, and productive technology, but also patterns of thinking and types of approach to social and economic problems, the question frequently arises as to whether the formal technique of government is keeping pace with these changes. Without giving a categorical answer, one cannot fail to observe that there has always been a degree of rigidity and inflexibility in our governmental processes. Such principles as the doctrine of the separation of powers, the emphasis upon periodic elections, the judicial rule of *stare decisis*, the administrative principle of consistency, and the constitutional principle of distribution of powers between the states and the Federal Government are good illustrations of principles the application of which in a formal, logical manner impedes governmental adaptation to rapidly changing social and economic conditions. Regardless of the merits and shortcomings of these principles, the fact seems reasonably clear that if our government is to become adjusted to these changes, either the rules upon which the formal official governmental procedure is based must from time to time be modified, or informal, unofficial expedients must be resorted to in order that the entire governmental procedure may not collapse.

The idea that organized economic groups play an important rôle in the process of economic-governmental adjustment is, of course, not a novel one. A recent book[1] portrays very interestingly and forcibly some phases of the activities of special-interest groups in Washington, D. C. But the phenomenon of organized groups seems to raise additional and perhaps more vital questions of a political character than those associated with lobbying as such. If economic groups are really playing an important part in the current problem of adjusting a more or less rigid constitutional structure to a kaleidoscopic economic and social environment, it is desirable to know how this is being done, and the extent to which it is being done satisfactorily.

There are under a government such as we have in this country certain problems of a procedural character which, largely because of the inflexible character of the governing mechanism, are extremely difficult to solve. The unbending application of the rules and principles referred to above as illustrative of constitutional rigidity impedes, if it does not obstruct completely, the mobilization of expert intelligence in the interest of policy creation and law-making, the securing of adequate representation of all interests affected by or related to a given policy, and the awakening and stimulating of centers of initiative out of which may develop new ideas and inventions for the solution of unforeseen problems. It hampers the adaptation of policies to changing conditions, the obtaining of public support for the laws and policies established, the securing of efficient execution of policies by public officials, and the insuring of an intelligent interpretation of policies once they have been crystallized into rules of law. The statement is made, therefore, that the adaptation of a rather inflexible governmental mechanism to a rapidly changing world necessitates the solution of such problems as these. If this is the case, what part are organized economic groups playing in the process?

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[1] E. P. Herring, *Group Representation before Congress.* (The Johns Hopkins Press, 1928.)

The answer is not to be found in a superficial observation of the obvious existence of numerous special-interest groups. It is necessary to take the organizations individually, study their development, their internal structure and technique, their methods of policy formulation, and their methods of putting such policies into effect. Then only will there be a basis for appraising the actual status of such organized groups in the political life of the nation. Not until then will one be able to judge whether the rise of these numerous special-interest groups is really affording a satisfactory solution to this great problem of adjustment.

The purpose of this book is to present the results of a detailed study of two of the most important economic group organizations in the United States from the point of view of their political and governmental significance. The Chamber of Commerce of the United States and the American Federation of Labor have drawn together within their respective organizations several millions of people, grouping together on the one hand a substantial proportion of the laboring population of this country, and on the other hand a large percentage of the business men of the nation. The economic significance of these two organizations is generally recognized. Their political and governmental importance, while more or less dimly perceived, has never been the subject of searching inquiry. Such studies of these organizations as have been made have usually stressed either their economic activities, or, if approached from the governmental side, their legislative and lobbying practices. Disregarding the line that is usually drawn between the fields of politics and economics, an attempt will be made to portray as a whole such aspects of their organized existence as seem to have political implications.

This will necessitate first of all a historical consideration of the principal characteristics of the two group agencies, the manner in which these characteristics have developed, and the nature of the constitutional structure of the organizations in their present stage of evolution. From such a survey, attention will be diverted to the question of the representative character of the unofficial agencies, the geographical distribution of their membership, and the extent to which the organizations, both from the national and from the sectional point of view, comprise what may fairly be regarded as their full potential memberships. Attention will then be given to the policy-formulating and policy-executing procedure of the two agencies. It is to be hoped that the first of these investigations will suggest the extent to which these agencies have solved such problems as properly combining intelligence and representation in the process of formulating policies, the manner in which such national organizations provide for adequate centers of policy initiation, insure consistency and dispatch in constructing programs to meet new contingencies, and the degree to which they have been successful in devising policies, not only democratically representative but also expertly advised.

When it comes to the question of how they put their policies into effect, investigation will center about such problems of method as publicity technique, devices for bringing pressure to bear upon public officials, as well as the degree of success attendant upon such efforts. Assuming that the policies of these two organizations actually represent the enlightened self-interest of the group membership, one naturally asks whether current methods of making these policies effective facilitate the orderly adjustment of formally organized government to a changing social and economic environment; whether they assist Congress, for example, in arriving at right conclusions on matters of legislation, or really enlighten the administrative branches of the government in matters affecting the execution of law. The critical examination of group technique and the inspection of actual methods utilized will not only reveal existing tendencies, but may place in a clearer light the rôle that such unofficial agencies as the Chamber and the Federation are destined to play in the political life of the nation of tomorrow. It is to be hoped that further studies of this nature will be made in order that such generalizations as are ventured in this book may be the more completely verified or contradicted. It might be desirable to study organizational types, not only in this country but in foreign countries as well. Such studies might well be supplemented by comparative studies of particular group functions. In this manner we shall be able to guide the more advisedly such tendencies in the direction of political-economic adjustments as seem to require and permit conscious human direction.

I. UNFOLDING OF GROUP CHARACTERISTICS

CHAPTER I

BEGINNINGS AND REGIMENTATION

The concept of the group may well be taken as the starting point in this study of unofficial agencies of government. This will naturally lead to a brief survey of the unfolding of the outstanding characteristics of the two particular groups selected for more detailed analysis in subsequent chapters. In the attempt to trace this process of unfolding, the field of historical inquiry will be narrowed to include only those developments which serve to explain the place of such agencies as the Chamber of Commerce of the United States and the American Federation of Labor in the political life of the nation today. This precludes, therefore, any attempt to portray the complete history of these two organizations. Group development will be looked upon as a fourfold process: (1) the regimentation of group interests, (2) the perfecting of group control, (3) the formulation and evolution of objectives, and (4) the changing participation of the group in contemporary social and political life.

Whatever the genesis of the group idea in a particular case may be, it seems that sooner or later the consciousness of an identity as between two or more individuals with respect to certain attributes evolves. In some cases a common racial heritage, residential proximity, or even similarity in religious belief gives rise to this identification. In other cases economic interest or a common enemy may account for this phenomenon. In any case the perception of such common attributes gives rise to a conscious attempt to marshal them, and to regiment into groups the individuals concerned. In a sense, therefore, the development of group agencies is a mobilization of attributes rather than individuals, an association of interests and not of personalities.

The realization of an identity with respect to one attribute subsequently leads to the unfolding of new, unthought-of common factors and interests. Seldom do we find the number of unifying elements of an expanding group association remaining constant. Group development is a continuous process of discovering, expanding, and changing objectives. But with this development arise conflicting as well as harmonizing interests; and the more vigorous and ambitious the group program, the greater the danger from disruption and disintegration. Now appears a new factor of which account must be taken in the unfolding procedure. Compulsion begins to supplement and even supplant hitherto subjective lines of cohesion. Control mechanisms begin to assume significance in the life of the group agency. The voluntary and more or less rational bases of association give place to increased emphasis upon artificial pressures of different kinds.

Meanwhile the group begins to leave an imprint on the world of institutions outside its own jurisdiction. Such impressions may be discerned in the social, intellectual, economic, and political life of the day. After tracing, therefore, the progress of the Chamber and the Federation in regimenting their membership, formulating their policies, and creating mechanisms of control (the primary purpose of this section), we shall turn to the major problem of this book; namely, an interpretation of the relation of these groups to, and their influence upon, the political organization of the state.

The dominant unifying factor which first appeared in the historical development of both the Chamber and the Federation was a sense of insecurity. This gave to both agencies, at first, an essentially defensive attitude; and throughout the history of both it has served as a powerful, driving motivation to regimentation, the force of which has never been entirely dissipated. In the case of the Chamber this feeling of insecurity arose out of a political environment in which the public and the government of the state were assuming a hostile attitude toward business, especially big business, an attitude reflected in the passage of such legislation as the Sherman and Clayton acts, and dramatized in the "trust-busting" formulas of Roosevelt and his followers. In the case of the Federation this sense of insecurity was occasioned by the realities and implications of the Industrial Revolution, the potentialities of which came to be realized as never before after the middle of the nineteenth century. Neither the Federation nor the Chamber made the first attempt to recruit the "insecure," or to objectify a defensive organization for the purpose of combating these particular dangers. The National Board of Trade, organized in 1868, outwardly bore evidence, for nearly half a century, to that consciousness of fear that accounts in so large measure for the origin of the Chamber itself.[1] Likewise the

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[1] The original purposes of the National Board of Trade were set forth in the Constitution of that organization as follows:

"In order to promote the efficiency and extend the usefulness of the various

Federation was preceded by such organizations as the Knights of St. Crispin, the National Labor Union, and the Knights of Labor, all of whom manifested this same sense of fear, although structurally they were built on somewhat different lines from those of the Federation. Why the forerunners of the Chamber and the Federation no longer sufficed, the one after 1912 and the other after 1881, as mobilizers of group-fear complexes, is a question into which we do not need to go at this time.[2] In general it may be said that the disappearance of the precursors of the organizations we are studying was due not to a decline in consciousness of the circumstances that had given rise to the sense of insecurity, but rather to defects in mechanisms of control and organizational devices.

1. BEGINNINGS

(a) National Conference of American Business

Valid generalizations concerning the psychology of American business during the years immediately preceding the calling of the conference of business men by President Taft in 1912 are difficult to make. According to a prominent official of the Chamber, the passage of the Sherman Antitrust Law in 1890, the so-called "persecution of business" by Roosevelt, as well as the popular clamor throughout the country for increased business regulation, served to broadcast among business *entrepreneurs* a feeling that something would have to be done if the United States was to be made safe for commercial enterprises. The growth of large-scale production, in part a cause and in part a result of increasingly intense competition, gave rise to enhanced interest in foreign trade and the opening up of markets for American concerns throughout the world. But here, again, public and legislators either

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> Boards of Trade, Chambers of Commerce, and other chartered bodies organized for general commercial purposes in the United States; in order to secure unity and harmony of action in reference to commercial usages, customs, and laws; and especially in order to secure the proper consideration of questions pertaining to the financial, commercial, and industrial interests of the country at large, etc."

For a copy of this Constitution as amended to 1911 see the *Proceedings of the National Board of Trade,* 1911, pp. ix-xvi.

[2] Professor G. G. Groat summarizes the reasons for the decline in influence of the Knights of Labor as follows: (1) failure of expensive sympathetic strikes; (2) political activity; (3) presence of two distinct forms of organization; (4) overcentralization. *Organized Labor in America,* 1917, p. 81.

One of the former Presidents of the Chamber of Commerce of the United States in an interview with the writer gave it as his opinion that the main reason for the demise of the National Board of Trade was the undemocratic character of the organization and its overcentralization.

did not understand or were not interested in the commercial point of view, and persisted, so it was said, in "meddlesome" regulation that promised to negative any attempts to cope successfully with foreign enterprises. When President Taft came into office in 1909, there was a general feeling throughout the business world that he would pursue the same policy followed by his predecessor, and this feeling persisted during the first two years of his administration. In reply to the statements that the government was not dealing fairly with the economic interests of the country, the answer would be made that there was no general agreement, even among the economic interests themselves, as to what was wanted or needed, and so long as that situation continued the Government was powerless to do anything.[3]

This answer, coming as it did from the Government itself, initiated new lines of thought and endeavor, and American business began to see what was necessary for its own salvation and the dispelling of that sense of insecurity and uncertainty that had hovered over it so long. In a letter to the writer, Mr. Charles Nagel, at that time Secretary of Commerce and Labor, described the situation as he found it when he came to Washington. He writes:

> When I came to Washington there was an organization in existence which I think was called the National Council, or something to that effect. It had a number of members, among them Mr. Meier of the Hamburg-American Line, Mr. Filene, Mr. Fahey, and others. After one or two meetings, I concluded in my own mind that if commerce and industry in this country were to organize with any hope of exerting an influence, it would have to be done upon a larger basis. My suggestion was at once welcomed by those members of the Council who were present, and as a result we undertook to make plans looking to this end.[4]

About this same time an attempt was being made by a charter member of the National Board of Trade, the Boston Chamber of Commerce, to reorganize that body so as to make it really representative of American business, but without success.[5] The leaders in the Chicago Association of Commerce were also interesting themselves in the idea of calling a national business men's conference, but finally decided that such action on their part would be misunderstood and would probably prove abortive.[6]

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[3] President Taft, for example, in his message to Congress on December 7, 1911, stressed the need for some system of national organization among business men.

[4] Letter of January 24, 1928.

[5] K. M. Sturges, *American Chambers of Commerce*, 1915, p. 62.

[6] Statement of Harry A. Wheeler to the writer, December 5, 1927. Mr. Wheeler also referred to a meeting in St. Louis in 1911, called by Mr. Nagel of that city, as a result of

Finally, on February 12, 1912, an important meeting was held in the offices of the Chief of the Bureau of Manufactures under the auspices of the Department of Commerce and Labor.[7] This informal meeting, which was attended by three officials of the Bureau and six representatives from the District Board of Commerce, the San Francisco Chamber of Commerce, the Southern Commercial Congress, the Boston Chamber of Commerce, and the National Association of Manufacturers, resulted in the drafting of a letter to be sent to commercial organizations throughout the country and to President Taft containing suggestions for the creation of a national organization of business men. Following the receipt of a statement from President Taft, the Secretary of Commerce and Labor invited about two thousand commercial bodies throughout the United States to send representatives to a National Conference to be held in Washington on April 22, 1912.[8] There were about seven hundred delegates present, and nearly every state and most of the large cities were represented.[9] The first session of the Conference was called to order by the Secretary of Commerce and Labor, Mr. Nagel, and, following introductory speeches by the Secretary and President Taft, a temporary chairman, Mr. Wheeler, was elected, and two committees, one on rules and order of business and the other on credentials, were selected. The work of the second session was given over to the election of a permanent chairman, other officers, a committee on permanent organization, and the consideration of various plans for organization. The committee on permanent organization made its report at the third session, and was subsequently

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which it was decided to further the calling of a nation-wide business conference by the President of the United States.

[7] *Minutes of the National Conference,* Preliminary statement, April 22, 23, 1912.

[8] Mr. Nagel in a letter to the writer to which reference has already been made described the events leading up to and during this first Conference as follows:

> "After we had come to something like a conclusion, I submitted the matter to President Taft, and after some consideration of the feasibility of the plan and, indeed, some hesitation, I, as secretary, was authorized to invite representatives of commerce and industry to meet in Washington for the purpose of considering the idea and, if possible, organizing at once. The meeting was called and the response was a matter of great surprise, because it resulted in one of the most noted meetings of representatives of commerce and industry that had ever been held in Washington. It was welcomed by President Taft, followed by a short address from me, the naming of a temporary chairman, who, I recall, was Mr. Harry A. Wheeler. His selection was accepted as so happy a one that he became permanent chairman, and after the organization was complete, became the first President of the Chamber of Commerce of the United States. I think it is fair to say that but for his consent to serve, and his rare combination of energy and tact, the result of the whole undertaking might have been doubtful."

[9] *Annual Report, Chamber of Commerce of New York,* 1912-13, pp. 84-85.

constituted a committee on nominations to submit to the Conference nominations for twenty-five Directors.[10] At the fourth session, the Board of Directors was elected and held its first meeting on April 23 and 24, 1912, immediately following the Conference.[11] At this first meeting of the Board, an Executive Committee was chosen, which held its first meeting on April 24.

Because many of the delegates to the Conference had no authority whatever to bind their organizations, the work of this first meeting was quite definitely limited. ~~It devolved upon the Board of Directors~~ and the Executive Committee, under the leadership of President Wheeler, to perfect the organization and place it upon a stable basis. From the date of the Conference to the First Annual Meeting of the Chamber held in Washington, D. C., January 21-23, 1913, the Board held five meetings. These meetings were for the most part given over to the consideration of applications for membership, questions of finance and dues, revision of the By-Laws, and the discussion of governmental and legislative matters affecting the business interests of the country.[12]

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[10] This committee on Permanent Organization was composed of one delegate from each state and territory, and ten at large. *Minutes of the National Conference,* supra.

[11] Most of the information concerning the work of the Board of Directors during the first three years of the Chamber's history was secured from the minutes of that body.

[12] It may be of interest to consider some of the problems and questions that came before the Board during the first few years of its existence. At the third meeting of the Board, considerable attention was given to the matter of membership and the raising of an organization fund by subscription to tide the organization over the first few years of its existence. It seems that Mr. Baldwin, Chief of the Bureau of Foreign and Domestic Commerce, had been asked to assist in the collection of data with respect to the number of members, rates of membership dues, and total annual dues of commercial organizations throughout the United States, and a letter from him regarding this was read and considered. The Board seems to have received numerous requests from individuals and others to press for certain legislative action by Congress, but many of these were turned down for the reason that they were not presented by organization members or were questions that affected merely a particular line of business. Plans were considered, also, for the setting up of committees to study and report on questions that might properly call for Board action.

At the fourth meeting of the Board several new matters of interest came up. The President stated that he had induced the authorities at Northwestern University to establish a training course for organization secretaries. A request from the Secretary of the National Implement and Vehicle Association that the Chamber use its influence to induce the State Department to extend to Russia a treaty of Commerce and Navigation was considered. Various suggestions regarding methods to pursue in attempting to raise the organization fund were debated and decided upon.

The minutes of the fifth meeting contain this significant statement:

> "Mr. Farquar, Chairman of the Special Committee on Russian Relations, reported that he had been in correspondence with the President and the Secretaries of State, Commerce, Labor; and that the President had informed him that there was no disposition on the part of Russia to change the duties on American imports—that the Committee, accompanied by Mr. Miles, had called on Secretary Knox, who was very frank in discussing our relations with Russia."

Provision was made by the Board at its third meeting for the following personnel to comprise the Washington Office: a secretary, an assistant secretary, three clerks, two stenographers, two office boys, chief of the editorial division, and one editor clerk. These eleven persons constituted the beginning of the Chamber's secretariat in Washington.

The statement has been made by former President Wheeler that, in general, so-called big business was out of sympathy with the new undertaking,[13] and many of the delegates in attendance seemed to be skeptical of its future.[14] The Government's interest and concern in the undertaking, however, were indicated in the remarks made by Secretary Nagel, who, as stated above, presided at the opening session of the Conference. He said in part:

> In our government we cannot discriminate. We cannot say we will communicate with this one and not that one unless there be some authority given which will enable us to do that, and for that reason it has been suggested not only that you organize so as to have a common commercial opinion to submit to the government, but that you get the sign of authority in the shape of a National Charter,[15] which will enable every officer of the government to say, "This is the recognized representative of commerce and industry in the United States."[16]

Other matters that were considered at this fifth meeting of the Board related to the report of the committee appointed to investigate the need of increased appropriations for the Departments of Commerce and Labor and State. The subject of a National Tariff Commission, submitted to the Board by the Merchants' Association of New York, and the question of legislative action regarding the regulation of bills of lading, submitted by the Board of Trade of Chicago, were referred to committees for report.

[13] Mr. Elbert Gary, for example, gave Mr. Wheeler to understand that he did not think that the organization would amount to anything.

[14] The delegates from the New York State Chamber of Commerce in their report to that organization made the following statement:

> "That the United States Chamber will perform a useful function as a sort of clearing house for the exchange of information and views between commercial organizations, is the belief of those who have been active in its formation. That it can be equally efficient in securing effective united action upon national questions, it will take time to demonstrate."
>
> *Annual Report, Chamber of Commerce of New York,* 1912-13, pp. 85-86.
>
> The delegates from the Philadelphia Board of Trade expressed themselves as follows: "Your representatives are not at present prepared to recommend the Board of Trade to at once become a member of the new organization, but deem it wiser to await the outcome of the effort on the part of the new Chamber of Commerce to secure a National Charter, essential, it is believed, to its future success."
>
> *Annual Report, Philadelphia Board of Trade,* 1913, p. 35.

The Boston Chamber of Commerce seemed more optimistic, stating that "altogether, the start has been auspicious." *Annual Report, Boston Chamber of Commerce,* 1912, p. 27.

[15] As will be noted later the Chamber did attempt to obtain a National Charter but failed.

[16] *Annual Report, Philadelphia Board of Trade,* 1913, p. 34.

In this manner, therefore, the great experiment was launched. Naturally many difficulties were encountered, and it required some time for all to come to an understanding regarding the character and functions of the new organization. From time to time Board members resigned; now and then a member organization would withdraw its membership; [17] strenuous efforts had to be made to raise funds and increase the number of members; criticisms had to be parried; [18] and not infrequently organizations and individuals would seek to use the Chamber to further their own selfish interests, rather than the interests of business generally. Although earnest efforts were made to secure a federal charter of incorporation, the bills introduced for that purpose failed to pass.[19] By the time of the second annual meeting in 1914, however, the success of the Chamber seemed assured.

(b) Early Labor Conferences

The years immediately following the close of the American Civil War when the National Board of Trade was being established witnessed the spread of a movement toward the federation and amalgamation of labor unions and wage-earners on a national scale. One of the first of these national organizations of a trade-union character was the National Labor Union, organized in 1866, and continuing a fitful existence down to about 1872. Among the various circumstances that gave rise to these federating tendencies were the development of employers' associations, the increased immigration into this country following the close of the war, and the rising need for social and labor legislation. Still another reason for the numerous efforts that were made to organize and federate the trade unions of the country was the inability of the Noble Order of the Knights of Labor, founded at Philadelphia in 1869, to cope with the labor situation in a manner acceptable to the trade unionists proper. Finally, in 1881, a number of labor leaders called a convention which met at Terre Haute, Indiana, for the purpose of discussing the whole situation. There were about fifty persons present at the meeting, and a committee was appointed to arrange for another conference to meet in Pittsburgh during the month of November.

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[17] An early and significant withdrawal of membership was that of the American Bankers' Association in 1913.

[18] The National Association of Manufacturers took occasion at one time to criticize in a formal manner the action of the Chamber in inviting certain persons to speak at its gatherings.

[19] For discussions of this bill by Congress see *Congressional Record*, Vol. 48, pp. 11325-11327; Vol. 49, pp. 1092, 4775-76; Vol. 50, p. 1839. Among the various objections offered to the bill by members of Congress were the following: that it would be contrary to precedent to grant a general federal charter to such an organization, that such a corporation would not be subject to the control of the states, and that it would have no definite legal situs. While the bill clearly stated that the Chamber was not an organization for profit, some apparently felt that it would prove to be something more than a "social" organization. The bill did finally pass the House on March 3, 1913, but was killed in the Senate. A charter was finally secured under the laws of the District of Columbia. *Annual Report, Board of Directors*, 1916, p. 21.

The Pittsburgh Conference, which was the first national gathering of labor men which Samuel Gompers ever attended, was made up of 107 delegates, a large number of whom were members of the Knights of Labor, and consequently were opposed to the point of view taken by the trade unionists. Mr. Gompers, who for several years had been active in the trade-union movement in New York, was nominated for President, but declined the nomination, after it became apparent that his motives would be misunderstood if he accepted the Presidency. The work of this Congress consisted largely in the setting up of a plan for organization under the name of the Federation of Organized Trades and Labor Unions of the United States of America and Canada, the discussion and formulation of policies, and the selection of a legislative committee of five to act as an executive council during the ensuing year. It was during this period in the life of the organized labor movement that, as Samuel Gompers later said:

> Men's thoughts were turning toward federation—all felt the need of common protection. Various plans were advocated for achieving that end, ranging from a secret organization to supplant the Knights of Labor to amalgamation for economic and legislative purposes.

The second Congress of the Federation of Organized Trades and Labor Unions was held in Cleveland, beginning November 1, 1882; and at the third meeting the following year in New York City, Mr. Gompers was elected President by acclamation. Mr. Gompers put his heart and soul into the work of this organization, but for various reasons the efforts did not meet with much success. The failure to provide for a permanent executive to devote his entire time to such work, the lack of funds, unsuccessful efforts to recruit new members, the absence of any publicity organ—these were some of the reasons which he has given for the slow progress that was made during these years.

During the year 1886 events occurred which emphasized as never before the necessity for doing something to resuscitate this organization if the trade-union movement was not to succumb entirely to the onslaughts of the rival organization, the Knights of Labor. Early in the year an attempt was made to defeat a proposed reduction of wages announced by certain manufacturers in New York. To accomplish this, efforts were made to pool the strength of both the Knights and the trade unionists. Internecine strife, however, almost proved the undoing of this attempt and ultimately led to the issuance of a call for another national gathering of trade unionists. At this meeting, which was held in Donaldson Hall, Philadelphia, on May 18, 1886, it was decided to draw up a treaty which should be submitted to the Knights at their special assembly, meeting in Philadelphia at the same time. All overtures of this character failed, however, and at the regular meeting of the Knights of Labor in Richmond a few months later, the trade unionists were given to understand that they could choose between that organization and their own, but that the two could not and would not co-operate.

Meanwhile, a second conference of trade unionists, meeting in Cleveland on May 27 of the same year, decided to appoint a committee to confer with another committee from the Federation of Organized Trades and Labor Unions to the end that some arrangement might be perfected whereby the whole trade-union body in the country could so organize as to become really effective. On December 8, 1886, the delegates from National and International Trade Unions and the Congress of the Federation met simultaneously in Columbus, Ohio, and effected a reorganization and amalgamation in the form of the American Federation of Labor. Thus, after a decade or more of strife and experimentation, there came into being this organization which was soon to become the leader in the organized labor movement in this country. Mr. Gompers was elected President, and with a staff of two assistants the work of recruiting members and developing policies in conformity with this leadership began.[20]

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[20] Although there has been a great deal written on the labor movement, its history and significance, there appears to be no satisfactory history of the American Federation of Labor as such. The following references are very valuable in this connection, however. J. R. Commons and Others, *History of Labor in the United States*, 2 Vols., Macmillan, 1918. The second volume is especially valuable for its detailed description of the early history of the American Federation of Labor. Mary A. Beard, *The American Labor Movement*, 1920, summarizes this history in a very readable fashion. Other works of value are: Samuel Gompers, *Seventy Years of Life and Labor*, 2 Vols., E. P. Dutton, 1925; Morton A. Aldrich, *American Federation of Labor*, August, 1898, pp. 221-266. (American Economic Association, Economic Studies, Vol. III, No. 4.) See also *History, Encyclopedia, Reference Book*, 2 Vols., published by the American Federation of Labor in 1919 and 1924.

2. REGIMENTATION

(a) Mobilizing Labor

One of the important phases of group development is the growth in numbers of its constituent membership. To this aspect of the historical evolution of the Federation and the Chamber we shall now turn our attention. Viewed as a problem in recruitment and regimentation, the increase in size of the Federation has evidenced the carrying out of the following program. "To build the Federation," said President Gompers, "we had to secure members. Members give confidence, not only to members but to outsiders. The membership problem fell into three main divisions: affiliation of existing nationals and internationals; chartering of local unions, central bodies, and state federations of labor; when a trade was sufficiently organized we launched a national organization." [21]

During the first few years after the reorganization of trade-union affiliations in 1886, the burden of this task of recruitment fell upon the leaders of the Federation and upon Mr. Gompers in particular. At the time of the organization of the Federation of Organized Trades and Labor Unions in 1881, the affiliated membership was said to be in excess of 250,000; [22] but during the succeeding years down to 1886 the number of unions associated with the Federation declined and it was not until about 1890 that the membership reached that figure again.[23] Inasmuch as Mr. Gompers seems to have been the moving spirit in these membership drives before the advent of paid organizers, it may be well to note some of his methods. He has written as follows:

> In the early formative period of the Federation I knew personally the great majority of the members of local unions. This personal acquaintance

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[21] Samuel Gompers, *Seventy Years of Life and Labor,* Vol. I, p. 285.

[22] P. J. McGuire, "The American Federation of Labor—Its History and Aims," in the appendix to William Trant, *Trade Unions,* 1909, p. 40, gives the number as 262,000, although the membership chart of the American Federation of Labor, *History, Encyclopedia, Reference Book,* Vol. II, p. 13, indicates that the number was less than 50,000.

[23] In Trant, *Trade Unions,* p. 47, it is stated that the annual convention of the American Federation of Labor meeting in Baltimore on December 13, 1887, "represented 2,421 unions, or branches, and a total membership of 600,340 members in good standing, as against 316,469 of the year previous." According to the membership chart of the American Federation of Labor referred to above, the total membership was slightly over 150,000. Inasmuch as both these statements emanate from the same source, it is difficult to explain the discrepancy. Were it not for the fact that the larger figures are for members in good standing, it might be supposed that the discrepancy was due to the fact that the later figures referred only to members whose dues were fully paid up.

> and contact were of primary importance in mobilizing wage-earners in support of trade unionism. There is nothing I like better than to meet people and feel that good comradeship that comes from mutual understanding and liking. There is no other one factor to which my ability to secure co-operation in the work of the labor movement can be attributed more than the friendly good comradeship and ability to meet men on their own level. . . . Many a time over a mug of beer or a drink of whisky, I won men for the cause of trade unionism when I had failed in every other way.[24]

In making these contacts and creating this interest in trade unionism, Mr. Gompers traveled extensively.

> Everywhere I went, I tried to get acquainted with the active labor men of the community. . . . Everywhere I went, I tried to make friends with reporters so that labor's story might find a hearing in the daily papers.[25]

It was not long before Mr. Gompers discovered that it would be impossible for him single-handed to do all this organizing work that was so very necessary, and about 1888 he conceived the idea of commissioning organizers to assist him in this work, thereby enabling him to devote more of his time to legislative activities. During the year 1888 about eighty commissions were issued. The efforts of such organizers as these have played no small part in the recruiting successes of the organization, and the records of the annual conventions of the Federation continually reiterate the appreciation felt for their work. Down to about 1898 these "commissioned officers" of the Federation received only necessary expenses, and sometimes not even that. In that year, however, all commissions were revoked and the whole system was reorganized so as to provide for both volunteer and salaried organizers.[26] The above table gives the number of paid and unpaid agents of this character serving the Federation at different times since then.[27]

YEAR	SALARIED ORGANIZERS	VOLUNTEER ORGANIZERS
1900	20	680
1905	28	1,180
1917	Total both classes 1,945	
1919	Total both classes 2,091	
1926	16	1,774

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[24] Samuel Gompers, *Seventy Years of Life and Labor*, Vol. I, pp. 300-301.

[25] *Ibid.*, pp. 328-29.

[26] See Appendix A, p. 263, for distinction and table of expenses.

[27] These figures are taken from various reports of the Executive Council of the Federation, as found in the *Proceedings* from year to year. The *American Federationist* devotes, from time to time, considerable space to the work of these organizers.

The work of these organizers if told in full would undoubtedly portray one of the vivid and dramatic phases of modern industrial life. Not only must these men and women possess undaunted courage and resourcefulness, but they must be able to command that physical strength and fitness that is a prerequisite to a life of trial and even danger. The volunteers work at their trade during the daytime and then devote their leisure hours to discussion, persuasion, speaking, holding mass-meetings, and in general doing whatever may seem expedient.[28] In recent years the task of the organizer-salesman has become increasingly difficult. In a conversation with one of the most experienced of these officials, one who has been engaged in this work for a long time, the writer was told of some of the newer types of problems with which the organizer of today has to deal.[29] Higher wages and on the whole fairly good living conditions, the rapidly changing technological conditions in industry which make the attainment of trade-union solidarity difficult, to say nothing of improved employer technique in combating trade unionism—all work together to make the worker more and more reluctant to give his financial support to the work of the Federation. New appeals have to be made,[30] and the cost of establishing new unions and placing them on a firm basis is often prohibitive. In spite of these difficulties, the work of recruiting has been attended with marked success, and in spite of unusual persistence and energy on the part of some employers to destroy unions, the Federation and its affiliated members have demonstrated during the trying period since the war remarkable perseverance and tenacity. The Executive Council in its report of 1923 paid high tribute to the part played by these organizers, the field generals of the Federation, in this work. The report stated:

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[28] It may be instructive to note a few of the suggestions made by the Federation with reference to the technique they should use in soliciting and maintaining continued support. The following paragraphs are taken from *Instructions to Organizers* issued to organizers by the Federation, 1928, p. 4.

> Sec. 23. Whenever possible, mass meetings should be held, with the co-operation of the central body, for the purpose of awakening general interest, advocating less hours, and more humane conditions for the toilers.
>
> Sec. 24. Each local union should appoint a committee on press to secure publication of notices and reports of meetings, to refute by letter any disparaging statements, editorial or otherwise, and contribute generally on the labor question.
>
> Sec. 25. Care should be exercised in the selection of temporary officers, who are made permanent. Officers should be elected by paper ballot and a committee appointed to count. A majority of all votes should elect.
>
> Sec. 29. Important statements or changes should not be made in public against offending concerns, unless positive knowledge and evidence is at hand to corroborate.
>
> Sec. 34. Unions should have attractive meeting places and make their meetings interesting. Try to have an educational feature for each meeting.

See also C. F. Grow, "An Organizing Plan," *American Federationist,* April, 1928, pp. 1-3; also pamphlet entitled, *Handbook for Trade Unions,* 1929.

[29] One of the organizers who took an active part in the attempt to organize the automobile industry during the spring and summer of 1927 told the writer about his experiences. In company with President Gompers, he, too, seemed to find that great progress could be made over a glass of beer. It is often difficult for the organizer to get access to the particular locality where he desires to work. Usually he will seek out the home of some friend, and through him get the opportunity to meet with other workers in the locality, and impress upon them the desirability for unionization. Success depends to a large extent upon the existing psychology of the laboring man. If he has a real grievance, is faced with a probable reduction of wages, the task is made the more easy. As soon as the ground has been worked in this way, and, through personal contacts, the way seems to be open for the holding of a meeting, this latter expedient is usually tried. The writer has attended meetings of this sort and the technique used to awaken and stir up the feelings of the workers is well worked out.

> Our salaried organizers have continued to render valuable services, not only in the organization of the unorganized, but in the adjustment of grievances and disputes which otherwise might have resulted in strikes costly to affiliated national and international unions, the A. F. of L. and the individual workers directly involved. In addition to this our organizers have been of material assistance to state federations of labor in various legislative campaigns.[31]

There are numerous ways in which the history of the growth of the American Federation of Labor may be divided, depending upon the extent to which one desires to go into detail in differentiating tendencies. For convenience sake one might separate the numerical evolution into four periods: the first period from 1881 to 1898; the second from 1898 to 1904; the third from 1904 to 1920; and the fourth from 1920 to the present. The first of these four periods was characterized by a steady increase in numbers, which was checked after 1894 by such unsuccessful strikes as the Pullman, by the extension of the use of the injunction by the courts, and by the intensified rivalry of Socialists and others interested in the formation of a Labor party.[32] Economic conditions, especially after 1893, reflected in a more or less general business depression, served to intensify the hostility of employer interests who were just beginning to adopt the more modern capitalistic methods of industrial warfare.[33] It is not strange, therefore, that Federation membership remained practically stationary from 1892 to 1898. In fact the ability of the organization to hold its own was a demonstration of the enhanced strength of organized trade unionism as contrasted with the situation in the decade following the Civil War.

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[30] Commenting upon the necessity for a new type of appeal to the worker the following statement has been made by the officers of the Federation to their organizers:

> "Being organizers of the Federation you are in touch constantly with industry and have been observing the changes that have been taking place in the management of industry. These changes alter the situations and problems with which organizers must deal. The methods and the arguments used ten or even five years ago may not apply. . . . In the past the main arguments for unionism emphasized low wages, long hours, unsanitary conditions and demands for justice for wage-earners. To these arguments we must add others. . . . We find now that employers are opposing trade unions through company unions, group insurance, employee stock ownership. This is a phase of paternalism. The problems of organization have been modified by these changes. The purpose of the union is revealed in another road to freedom. The union can help wage-earners to secure for themselves insurance, savings, investments, leisure, study opportunities, opportunities to have a real part in work—in short all that benevolent employers may offer, and more. . . . . In presenting the union to the unorganized, the organizer or salesman has in each case to convince his customer, the unorganized workman, that the opportunity he is offering is what the customer wants. . . . . Among the principles of good salesmanship is to approach the man or woman you want to win for your union in the spirit of a friend. . . . . Do not criticize a person for not belonging to the union, but on the other hand, try to show him what he is missing." See *Instructions to Organizers*, 1929, pp. iii-iv.

[31] *Proceedings*, 1923, p. 209.

The year 1898 marked the beginning, however, of a distinctly new period. The return of industrial prosperity which gave rise to the phenomenal increase in number and size of "trusts" likewise seems to have been the occasion if not the cause for the expansion of trade unionism, and the increase in membership of the Federation from less than 300,000 to more than 1,650,000.[34] Along with this numerical expansion went an extension of the Federation into new industries and into new geographical areas. From 1897 to 1904, 92 new national and international trade unions were organized, and significant inroads were made into the ranks of what some have called "unskilled labor," although it was left for a later period to witness the extensive federating of such groups on a large scale.[35]

From several points of view the next period, from 1904 to 1920, when the membership in the organization reached the unprecedented figure of over 4,000,000, might well be considered with reference to shorter intervals; but taken as a whole, with the exception of the first two or three years, the growth in numbers was not only steady but phenomenal. The growing aggressiveness of employers' associations and the apparent hostility of the courts led, in 1906, to a change in policy with reference to legislative activity; and the Federation set out with determination to reward the friends and defeat the legislative enemies of labor. The success of these efforts came not only in the passage of legislation in accord with trade unionists' desires, but also in an increase in membership. The World War, bringing as it did a species of artificial business prosperity, likewise gave impetus to organizing activities, and the accompanying successes of the Federation, in the governmental and economic arena, greatly augmented the ranks of the organization membership. These increases in numbers are significantly portrayed on the accompanying chart showing the changes in Federation membership year by year since 1881.

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[32] J. R. Commons, *History of Labour in the United States*, Vol. II, Ch. XIII.

[33] *Ibid.*, pp. 495 ff.

[34] For a detailed statistical study of the period from 1897 to 1914, see G. E. Barnett, "Growth of Labor Organization in the United States" *Q. J. E.*, Vol XXX, pp. 780-791; 838-846.

[35] That is to say, the period from about 1910 to 1914.

The last period, including as it does the industrial depression following the World War and the renewed activity of employers in connection with the advocacy of the open shop, saw a noticeable decline in the numerical strength of the American Federation. Strenuous efforts were made, however, to hold the lines and extend recruiting activities. The decline in actual numbers affiliated with the organization is without doubt exaggerated by the chart, due to the method of computing membership, but there can be no question as to the reality of the diminution.[36] As for the present position of the Federation in the labor world, its inclusiveness and its representative character, more will be said later.[37] We shall now leave for the moment this greatest of trade-union organizations and survey briefly the history of Chamber regimentation.

(b) Recruiting American Business Men

The By-Laws ~~of the~~ Chamber ~~of Commerce~~ of the ~~United~~ States as now in force provide for three basic types of membership: organization ~~members, individual members, and associate members.[38] The first~~ of these ~~three types comprises three~~ classes: first, business organizations

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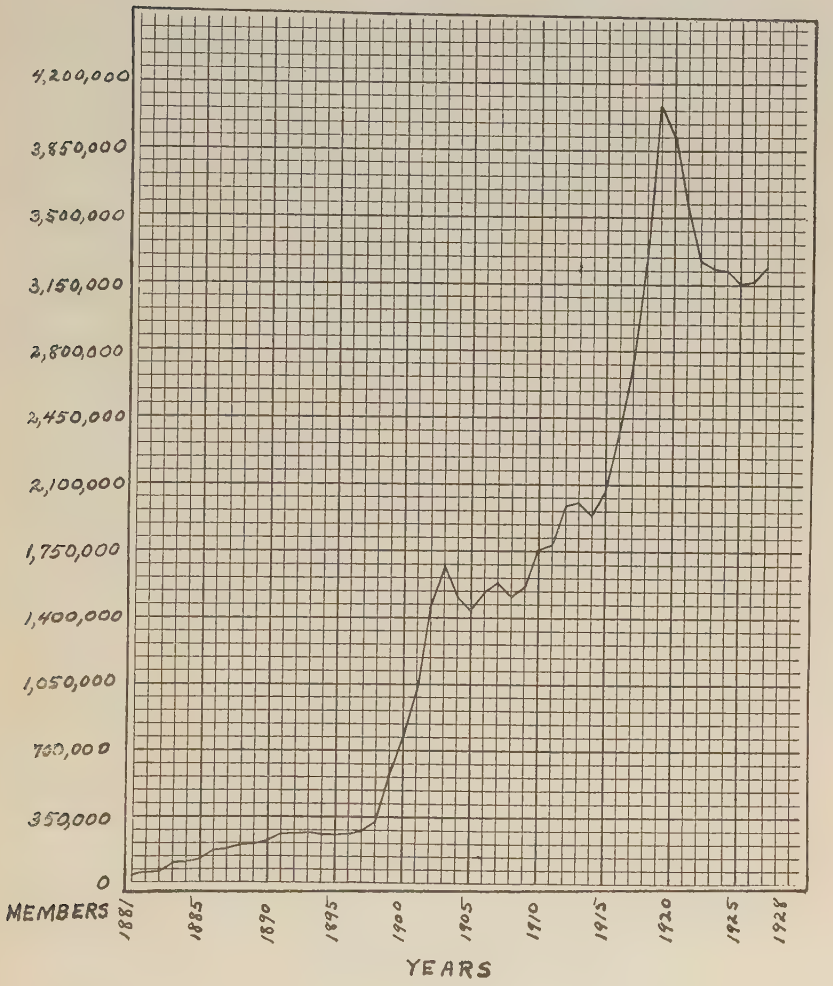
[36] The Executive Council of the Federation made the following statement in 1922: "Notwithstanding the very widespread industrial depression and the vicious attacks on organized labor by hostile forces, there has been no material reduction in the normal membership of the A. F. of L. It should be remembered that abnormal war conditions caused an unusually rapid growth of membership in recent years, and we now find that the A. F. of L. is coming through the present period of readjustment in good shape, with a membership considerably in advance of that which would have been attained had the growth followed the usual normal upward trend. The smaller per capita tax receipts for the past fiscal year do not necessarily indicate a corresponding decrease in numbers. Per capita tax payments represent only the members who are at work. Therefore, the difference in the per capita tax receipts for the past fiscal year is merely a reflection of the industrial depression and consequent unemployment of thousands of wage-earners." See *Proceedings*, 1922, p. 167.

[37] This whole matter will be considered in Chapter III.

[38] By-Laws, 1929, Art. II.

CHART A

CHANGES IN MEMBERSHIP OF THE AMERICAN FEDERATION OF LABOR FROM 1881 TO 1927



constituted on a geographical basis, such as local or state chambers of commerce; secondly, trade associations whose membership is confined to a trade or group of trades; and, finally, special associations or organizations elected to membership by the Board of Directors. Within this general class of organization members there were, in 1929, 1,587 organizations.[39] Individual and associate members comprise persons, firms, and corporations which are members in good standing of some organization member of the Chamber. Individual members pay annual dues of twenty-five dollars each, and the associates pay at least one hundred dollars a year.[40] As now constituted, these individual and associate memberships carry with them about all the privileges of the Chamber, except that only duly appointed delegates of organization members may vote at meetings. In 1929, there were 8,431 individual and 4,957 associate members.[41]

Organization and individual memberships were provided for at the first annual meeting in January, 1913, but it was not until 1917 that associate memberships were created. Originally individual memberships were limited to 5,000, but for financial reasons as well as the desire to extend the influence of the Chamber, changes were made in the By-Laws at the annual meeting in 1917, in accordance with which limitations upon any class of memberships would be imposed only after action had been taken by the annual convention, and then only for such periods as the convention should decide upon.[42] Thus far no such limitation has been imposed.

During the first two or three years after the establishment of the Chamber, there was little or no carefully worked out procedure to be used in canvassing for members.[43] The Chamber idea seems to have taken root at an opportune moment, and the wide publicity given to the undertaking, the quasi-governmental indorsement of the move, the general feeling of insecurity among a large number of business interests during the political upheaval in 1912-13, as well as the effective leadership of President Wheeler and the Board of Directors, served to facilitate somewhat the early problems of recruiting. In fact, the problem of finances was the more crucial at this time; and, although this problem was necessarily tied up with that of membership, the emphasis during these early days was placed upon increasing the number of subscribers to the organization fund.[44] In affiliating themselves with the Chamber many business organizations proceeded cautiously, and some of the larger corporations put off their affiliation for a year or more.[45] On the whole, however, the response of those eligible was fairly satisfactory to the leaders.

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[39] *Annual Report, Board of Directors,* 1929, p. 49.

[40] By-Laws, 1929, Art. III, Sec. 2.

[41] *Annual Report, Board of Directors,* 1929, p. 49.

[42] By-Laws, 1929, Art. III, Sec. 6.

[43] Field agents were appointed from time to time, but their work related more particularly to the securing of contributions for the organization fund.

In August, 1915, a field manager was appointed, and organized efforts at enlarging the number of individual members were essayed. During that year 935 new individual members were added, and in 1916 more than 2,400, bringing the total up to the limit of 5,000 fixed at that time.[46] The following year also witnessed a rapid increase in the number of members, 986 new individual members being added. By this time the recruiting agency of the Chamber comprised a field manager and a force of eleven field secretaries, each of whom devoted his full time to the work at a fixed salary.[47] Today, this agency constitutes one of the major departments in the "promotion" division of the Chamber's fourfold organization structure.[48] The manager in charge of this Field Department has offices in the Chamber building in Washington and supervises not only the work of selling memberships but also that of securing subscriptions to the *Nation's Business*, the official monthly magazine of the Chamber. Directly under his authority are the eastern and western field managers, with offices located in New York and Chicago. The next stage in the hierarchy of authority comprises the division field managers, four of whom are under the direction of the western, and two the eastern offices. Within each of these division offices, one finds a district secretary, and a manager for the *Nation's Business*, each of whom has a staff of selling agents in the field.

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[44] As far back as April, 1913, the Board had authorized the President to appoint a field agent to canvass for individual memberships "with compensation at the rate of $200 per month . . . on condition that he secure forty individual memberships monthly; provided, however, that memberships secured in excess of forty would accrue to his benefit at the rate of 20 per cent of the membership fee." *Minutes of the Eighth Meeting of the Board*, Washington, April 24, 25, 26, 1913, p. 2. At this same time a former field secretary of the National Citizen's League was appointed to complete the organization fund in central and western states. *Ibid.*

According to the reports of the Board of Directors, the matter of membership was allowed to take care of itself down to the fall of 1915; but because of the pressing need for subscriptions to the Capital Fund no intensive campaign for increased organized membership was conducted during the two years prior to 1916. See *Annual Report, Board of Directors*, 1916, pp. 4-5; and 1917, pp. 4-8.

[45] For example, the Gary interests.

[46] *Annual Report, Board of Directors*, 1917, p. 4.

[47] *Ibid.*, 1918, p. 30.

[48] Under the reorganization plan put into effect in 1928, the work of the Chamber falls now into four major divisions: (1) Administration, (2) Research, (3) Promotion, and (4) Service Activities. See D. A. Skinner, *How to Use the Services of the Chamber of Commerce of the United States*, 1928.

In a different realm, perhaps, but after the manner of Federation organizers, these field men and district secretaries interpret for their clientele the aims and purposes of their organization, seek to sell the Chamber and increase the membership, and perform for the membership such services as supplying speakers, assisting in the organization of conferences, getting out the vote on referenda, and in every way possible trying to make the Chamber serve its constituency effectively. These agents, for the most part young men just out of college, are usually supplied with lists of eligible prospects from the division offices.[49] With these lists and an attractive prospectus containing up-to-the-minute descriptions of the work of the Chamber, its official personnel, and testimonials from statesmen and influential business men, these young men interview prominent persons in the area assigned them and endeavor to make "sales."

They approach their prospects from different angles, but in the main their appeal is directed toward the financial interest of the potential member. As a rule, the selling of the Chamber idea to individual and associate members primarily involves convincing the prospect of the concrete financial gains that he will secure from the affiliation. Objections have to be met, such as the claim that there are too many organizations in the field today; that the dues of the Chamber will prove oppressive; or, more rarely, that some of the policies of the Chamber are objectionable.[50]

It is unnecessary to enter upon a detailed description of the technique followed in canvassing the results of these selling campaigns. Each district office keeps elaborate records of these, based upon daily reports of membership sales, submitted by the men in the field. It is instructive for the student of group organizations to observe the extent to which the agency has to go in developing a technique for awakening the interests of its potential membership and bringing them within the scope of its organized work. In a sense these organizations are voluntary, but in another sense the common interest which is supposed to lie at the basis of the organization is brought into concrete manifestation only by the application of the most modern techniques of selling. Both the Chamber and the Federation are obliged to spend large sums yearly to keep alive this spark of group consciousness, which means that the interpretation of group solidarity and group development must take account not only of the so-called interests of the group but also of the technique for keeping that interest alive and "selling" the group idea.

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[49] These lists are usually made up from Dunn's and include only those firms with a minimum capitalization of $50,000.

[50] The Chamber would distinguish its organization from that of other economic groups on the basis of its inclusiveness and the national character of its purposes. Trade associations and business associations generally seem to be organized to further local interests or special phases of industrial and economic activity. See *An Experiment in Democracy*; L. E. Pierson, *The Immediate Aims of the Chamber of Commerce of the United States*; *The Chamber of Commerce of the United States—What It Is and What It Is Doing*, all published by the Chamber.

The accompanying chart undertakes to show the changes in membership within the Chamber since its organization in 1912.[51] It will be noted that down to 1921 the increases in membership of all classes were continuous and considerable. In that year, however, membership in all three classes began to decline, and in the case of organization and individual memberships this reaction continued until 1924 when an upward swing of the membership curve began. In the case of the associate memberships, the decline was quickly checked, and from 1922 on the increases have been rapid and steady. On April 26, 1927, the constituent membership of the Chamber included 1,516 organization members representing 794,945 persons, firms, and corporations; 8,092 individual members; and 9,920 associate members.[52] It is particularly significant to note the marked increase in individual and associate memberships since 1918, particularly associate memberships. It is upon these two classes that the Chamber depends to a very large extent for its financial support, especially the class of associate members, whose subscription to the work of the Chamber is not limited.[53] It was recognized from the very first that organization memberships would not suffice to finance the Chamber, for it was necessary to keep the dues from such members low in order that the Chamber might maintain a democratic character and draw its affiliations from all sections of the country. Moreover, there seems to be a tendency for organization members to

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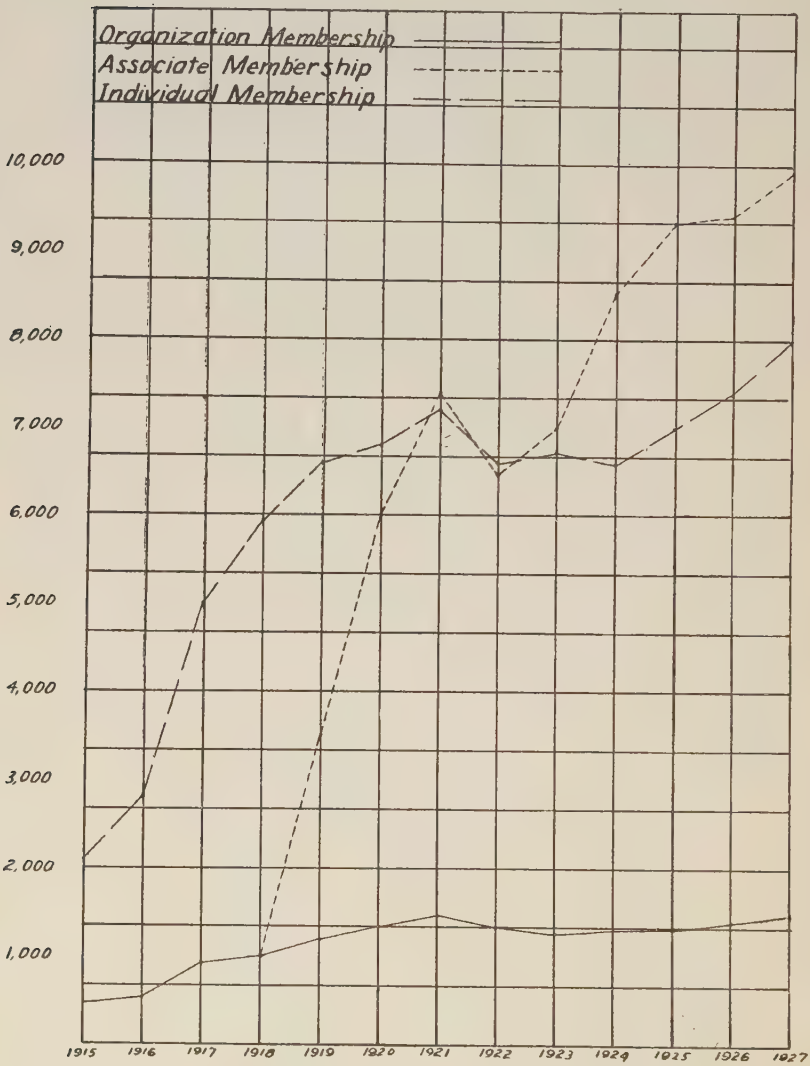
[51] It will be observed that this chart does not parallel Chart A. The latter presents a picture of the growth of the Federation in terms of individuals affiliated with member unions. Due to the complex character of Chamber membership, similar data for the Chamber is not available. While figures for the underlying membership of the Chamber might have been used in this chart, they too are hardly comparable to those used for the Federation. Inasmuch as refined comparisons of Chamber and Federation membership are impossible, no attempt is made to correlate the charts except in a very general way.

[52] *Annual Report, Board of Directors,* 1927, p. 34.

[53] It is significant to note, however, that there were only two associate members in 1928 who paid dues amounting to as much as $10,000.

CHART B

Changes in Membership of the Chamber of Commerce of the United States, 1915-1927



withdraw their support at the slightest indication of a business depression. and the Chamber did not wish to become too dependent upon such an unstable constituency.[54] Out of a total of $891,091.54 in dues collected during the fiscal year ending March 31, 1927, more than $680,000 came from associate members and over $133,000 from individual members.[55]

It will be observed that both the Federation and the Chamber experienced marked membership relapses following the business disturbances of 1920 and 1921, although in the case of the former the setbacks have been more difficult to overcome. The Chamber on the other hand soon recovered, and the strength of the organization as represented by membership and finances has at the present time reached a peak never attained before.[56]

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[54] One of the district secretaries in commenting upon this phase of the membership problem of the Chamber illustrated his point by mentioning the wholesale withdrawal of the coal operators during 1927, at a time when they found that they could not operate at a profit. Likewise those engaged in the millinery business withdrew their support quite suddenly as a period of depression struck their industry.

[55] *Annual Report, Board of Directors,* 1927, p. 36.

[56] *Ibid.,* 1929.

Chapter II

PERFECTING CONTROL

The solidarity and strength of any group depend upon a number of factors, of which identity of interest is an important one. No group mechanism can expect to maintain control over its constituency for any great length of time unless this similarity of interest and purpose continues a reality and the individual member finds an identity between his own aims and those of the organization. There are, however, other elements in group control the potency of which is always strong and not infrequently becomes decisive. Among these, financial organization, administrative lines of control, and personnel are especially important. Discussions of state authority have often centered around such questions as sovereignty and sanction; and the ability of the state to carry out its commands by the use of force has often been advanced as the distinguishing characteristic of statehood. Groups such as the Federation and the Chamber have frequently been differentiated from political entities on the ground that they are voluntary organizations, and that the elements welding them into effective units of control are mutual interest, the personality of leaders, or some common objective. Although these elements are important, this distinction may easily be overemphasized.

In the first place, group as well as state authority may often be based on other factors than mere force. Too often the financial and administrative elements in state authority have been slighted if not entirely ignored. Likewise the influence of governmental personnel in creating and solidifying state citizenship has been underestimated. So far as groups themselves are concerned, we find a similar tendency to overemphasize certain elements of control at the expense of others fully as important. It is true that in a sense these groups are voluntary associations, but mere willingness on the part of individual units to associate themselves together can hardly explain the inception and relative permanence of many of these great group organizations. An adequate explanation must delve deeper. Is force itself entirely lacking? An answer to this question should not be too dogmatic. Undoubtedly force of

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various kinds serves to build up and maintain these groupings—not military force, perhaps, but types of restraint none the less potent. Moreover, as in the case of the state, financial organization, administrative devices, and personnel also play a large part in the control exercised by the organization over its membership. We shall not at this point undertake to analyze the several types of force or pressure of a psychological nature that may be used on occasion to cement the membership into an organized group, but we shall undertake to describe briefly the financial, administrative, and personnel factors that have played no small part in the evolution of perfected control within the Chamber and the Federation.

1. Group Finance—The Chamber

At the present time the Chamber of Commerce is financed by means of dues; income from its official publication, the *Nation's Business;* private contributions; and interest from invested funds. The rate of dues for organization members is usually based on the annual membership fees of such members, and amounts to approximately ½ of 1 per cent of such income annually, maximum and minimum limits being set at $700 and $10 respectively.[1] Due to the fact that some organization members may be financed through some other medium than membership dues, the By-Laws provide that the Board of Directors, in such instances, may determine what dues such a member shall pay.[2] Individual members, as we have already noted, pay annual dues of $25 each, while the income from associate members is fixed at a minimum of $100 yearly. During its early history charges were made by outsiders, including some Congressmen, that the Chamber was being financed very largely by a small group of business men with the object of having it serve that group's own interest.[3] Nothing seems farther

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[1] See By-Laws, 1929, Art. V.

[2] See By-Laws, 1929, Art. V, Sec. 4.

[3] The following excerpt from the report of the Board of Directors in 1919 gives a summary of the facts in the only investigation of this kind that was ever made:

> "For reasons unknown to your Board of Directors, a Sub-Committee of the Senate Committee on Agriculture of which Senator Gore, of Oklahoma, was chairman, undertook an investigation of the Chamber, its financing, and its activities. . . . Most of the questioning was directed toward the raising of the Capital Fund for the purpose of financing the Chamber during its early years of organization, and to the amounts contributed to this fund by the five great packing concerns and other interests asserted to be allied with them, and asserted to be subject to their influence. Then the Chairman of the Federal Trade Commission was called. He testified at great length regarding the banks of the

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TABLE I

ASSOCIATE MEMBERS WITH AMOUNTS CONTRIBUTED AND MEMBERSHIPS HELD, JULY 1, 1927

AMOUNT	NUMBER OF MEMBERS	NUMBER OF MEMBERSHIPS
$ 100	3,365	3,365
125	11	13
150	108	162
175	2	3
200	508	1,015
225	1	2
250	102	255
300	227	681
325	1	3
350	9	31
400	39	156
450	1	4
500	221	1,105
600	18	105
650	2	13
700	15	105
750	16	135
800	6	48
900	5	45
1,000	88	880
1,100	3	33
1,200	1	12
1,250	2	25
1,300	2	26
1,400	2	28
1,475	1	14
1,500	17	255
1,700	4	65
1,800	1	18
1,900	2	38
2,000	12	240
2,400	1	24
2,500	14	350
2,600	1	26
3,000	2	60
5,000	4	200
6,600	1	66
7,500	1	75
8,000	1	80
10,000	2	200
Total	4,821	9,971

TABLE II

INDIVIDUAL MEMBERS WITH AMOUNTS CONTRIBUTED AND MEMBERSHIPS HELD, JULY 1, 1927

AMOUNT	NUMBER OF MEMBERS	NUMBER OF MEMBERSHIPS
$25.00	5,946	5,946
50.00	941	1,882
75.00	107	321
100.00	3	12
250.00	1	10
Total	6,998	8,171

from the actual facts, and the accompanying tables are given for the purpose of showing the distribution of dues paid in by individual and associate members during the fiscal year ending in July, 1927.[4] Although there has never been any limit set on the amount that any firm might contribute toward the work of the Chamber, the danger of influence being purchased in that manner would seem to be unlikely in view of the difficulty the Chamber now has in securing the necessary funds for the work undertaken.[5]

The following table gives the figures for the income received from the three classes of membership in the years for which such figures are available since 1913. These figures indicate that while, in spite of some fluctuations, the yearly income from organization members has not increased greatly since 1919, and that for individual members has fallen off, almost twice as much revenue is now being received from associate members as was received in 1919.

For the first few years after the establishment of the Chamber, dues from organization and individual members were less adequate than at present to take care of the financial needs of the organization.[6]

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country that had loaned money to the packers. In a few instances, officers and members of the Board were officers or directors of these banks. . . . . Eventually, the Secretary of the Chamber was permitted to present to the committee a complete statement in regard to the financing of the Chamber from the beginning. . . . This immediately established the small interest ever taken by the packers. . . . The hearings were closed and so far as we can learn no attempt has ever been made by the sub-committee to report on them." See *Annual Report, Board of Directors,* 1919, p. 14.

[4] These tables are based on figures supplied from the office of the Secretary of the Chamber in Washington.

[5] The nature of some of these difficulties was suggested above, page 35.

[6] The Chamber started with two rented rooms in an office building in Washington, and a deficit of $50,000.

At first the Board undertook to raise by means of private contributions a fund of about $120,000 to meet the operating needs of the Chamber during the period of organization. Subsequently this procedure was altered and a Capital Fund created, consisting of subscriptions of $1,000 a year for three years from "far-seeing and public-spirited business firms

TABLE III*

Yearly Revenue of the Chamber of Commerce of the United States, 1916 to 1927

Fiscal Year Ending	Organization Members	Individual Members	Associate Members	Total Revenue†
Dec. 31, 1916....	$40,229.25	$106,834.46	‡	$ 298,381.54
June 30, 1919....	71,656.00	181,857.13	$370,492.70	606,199.80
June 30, 1920....	83,781.11	176,563.06	610,783.19	1,325,553.58
June 30, 1921....	99,431.39	165,248.99	676,584.81	1,426,498.21
June 30, 1922....	98,299.61	159,117.88	630,145.52	1,284,215.43
March 31, 1923...	65,459.55	113,080.85	498,161.93	1,100,681.79
March 31, 1924...	69,883.90	114,758.78	596,678.25	1,341,269.43
March 31, 1925...	73,371.88	122,299.12	636,249.67	1,505,543.75
March 31, 1926...	74,819.35	127,957.63	662,814.12	1,796,455.68
March 31, 1927...	76,783.60	133,629.03	680,678.91	2,040,535.40

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* These figures are compiled from those given in the Annual Reports of the Board of Directors for the respective years.

† This total is made up of revenue from the *Nation's Business*, which in itself amounted to $1,126,298.86 in 1926-27; contributions of $11,000.00; interest payments of $12,145.00; as well as the membership dues indicated. The inclusion of the magazine's budget within the general budget may give a wrong impression regarding the nature of the Chamber's revenues and for that reason should be taken into consideration in interpreting these figures. Unfortunately complete figures for yearly revenue from the *Nation's Business* were not available.

‡ Associate memberships were not provided for until 1917. See *Annual Report, Board of Directors*, 1918, p. 29. The President of the Chamber, in 1925, in stressing the democratic character of the financial support of the organization, made the following statement:

> "The National Chamber is an association that is made up of approximately thirteen hundred civic bodies and trade associations. Of these, 34 per cent have an annual income of less than $4,000; 60 per cent an annual income of between $4,000 and $45,000. . . . . In other words 94 per cent of our voting membership consists of either small or medium-sized organizations scattered throughout every state in the Union, and twenty-three Chambers of Commerce in foreign countries. . . . There are approximately 12,000 of these individual and associate members. Fifty per cent of them pay annual dues of $25; 40 per cent pay annual dues between $25 and $100; 9 per cent pay annual dues from $100 to $500, and 1 per cent pay annual dues of over $500. These individual and associate members come from over fourteen hundred towns and cities throughout the United States."

President's Address, Thirteenth Annual Meeting, 1925.

It may be added that, on the basis of the figures given in Table I, there were 63 associate members who contributed $170,000 in 1926-27, more than twice the amount received from all civic associations and trade bodies.

and individuals who have sought and receive no return beyond the privileges enjoyed by all individual members."[7] The sum of approximately $100,000 a year for three years was realized in this way, and paid off.[8] Most of these subscriptions expired in 1918, and no attempt was made to extend them or add to them in any way.[9] In 1917, the limit on the number of individual members was lifted; and, as we have noted, a new kind of membership, associate, was created. Many of the subscribers to the Capital Fund, as well as individual members, elected to become associate members, so that, through their contributions, helped along by more effective canvassing on the part of the newly organized Field Service, the amount of available funds was increased and the Chamber was placed on a sound financial basis. The Chamber now operates on a yearly budget of over two million dollars, and an examination of its balance sheet of March 31, 1927, reveals net resources of over three millions. This amount is made up of $118,179.64 in the general fund, $390,625.11 in the reserve fund, and a net balance in the building fund of $2,625,817.09.

On the expenditure side, attention may be called to some of the more important items of expense as they existed in 1927. There may be in the minds of some the question of how such an organization as this can spend so much money in a legitimate fashion. An examination of the budget reveals, however, the stupendous cost of twentieth-century group activity and publicity. The salaries and expenses of the Field Department during the fiscal year ending March 31, 1927, amounted to $148,882.43. Each of the ten service departments spent from $20,000 to $40,000, with the exception of the Research Department, which expended, during the fiscal year ending March 31, approximately $99,000.[10] Other expenses of significance included about $110,000 for salaries, $13,000 for auditing, printing, etc., $81,000 for the care and operation of the office building in Washington, and $1,146,502.23 for financing the *Nation's Business,* the Resolutions and Referenda Department, and the Press and Organization Services.[11]

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[7] *Annual Report, Board of Directors,* 1916, p. 6.

[8] *Ibid.,* 1917, p. 5.

[9] *Ibid.,* 1918, p. 30.

[10] The Research Department has been given a name which is in a sense a misnomer. It does do some research work of a sort, for the so-called "service" departments of the organization. Its principal duties comprise the following: obtaining information on pending legislation and publishing the legislative bulletin; following administrative rulings and activities, and judicial activities, and issuing a general bulletin regarding them; and preparing referenda pamphlets.

[11] See Appendix B, p. 264 for table of operating expenses of Chamber, 1927-28.

In presenting this brief résumé of the history of Chamber finances, the primary purpose has been to emphasize the importance of the technique of financial control utilized by the group agency. Too often the financial program of an institution appears to be merely a matter of balancing revenues and expenditures. It is usually far more than that, for the sources of financial support of such an organization as the Chamber or the Federation indicate important lines of control, by means of which the group agency maintains its cohesive strength and extends the radius of its influence. Finance is not only a means of bearing the cost of certain activities, it is also an instrument for controlling those by whom and for whom it is used. The geographical and individual distribution of the sources of financial support may be as important from the Chamber point of view as the absolute amount of the contributions.[12] The methods of financing a group agency often furnish the key to such important matters as the nature and content of policy determinations, the presence or absence of cohesive solidarity throughout the group, or the importance of outside contacts and relationships.

2. GROUP FINANCE—THE FEDERATION

With considerable variations in revenue from year to year, the evolution of financial control within the American Federation of Labor has on the whole displayed a general trend toward increased strength. Starting with an annual budget of less than $200, the organization has developed its financial resources until today it possesses a yearly income of over $524,284. The following table gives the principal sources of revenue and items of expense for the fiscal year ending August 31, 1927.[13]

In the case of both the Federation and Chamber, figures for annual revenue and expenditure are in the last analysis no real indication of the financial strength of the group agencies. In both instances the organized membership possesses important sources of revenue which indirectly supplement those of the federated organization. So far as is known, there are no figures available showing the financial strength of these subsidiary organizations, figures that would be especially valuable in comparing the relative financial strength of these two group agencies.[14]

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[12] For geographical distribution of Chamber membership see *Chamber of Commerce of the United States—Organization Members*, April 5, 1927.

[13] *Proceedings, Forty-seventh Annual Convention*, 1927, p. 32.

TABLE IV

RECEIPTS AND EXPENSES OF THE AMERICAN FEDERATION OF LABOR FOR THE TWELVE MONTHS ENDING AUGUST 31, 1927

RECEIPTS	
Per Capita Tax	$343,300.06
American Federationist	107,498.61
Defense Fund	35,733.78
Initiation Fees	10,029.65
Interest	7,657.69
Supplies	6,388.92
Other Receipts	13,615.03
Total Receipts	$524,284.74
EXPENDITURES	
Salaries of President, Secretary, Treasurer, and office force	$123,622.28
Organizers' salaries and expenses	114,778.76
American Federationist	86,963.15
Rent	15,504.00
Supplies and Printing	25,531.36
Defense Fund	10,990.00
Other expenses [clerical, convention, traveling, legislative ($8,133.24) legal, committee, etc.]	107,644.51
Total Expenditures	$485,033.96

A comparison of the finances of the two organizations yields some illuminating results. In the first place it will be observed that the Federation secures a far greater proportion of its total income from taxation in the form of dues than does the Chamber.[15] Looking upon the Chamber's income from individual and associate members as being more in the nature of contributions than of dues or taxes, we discover that the Chamber realized from taxation proper, during the fiscal year ending March 31, 1927, only $76,783.60, while Federation taxes for the fiscal year ending August 31, 1927, amounted to $343,300.06. This difference in the fundamental character of payments undoubtedly indicates a difference in point of view of the supporters of the two organizations with reference to the reasons for their support. Financial allegiance is distributed on a basis of equality, in the case of the Federation, over the mass of its individual constituents. In the case of the Chamber, there seems to be a decided emphasis upon ability to pay; an attempt to adjust the financial burden throughout the membership according to the individual or corporate income of the member. This difference in viewpoint undoubtedly reflects, in the first place, the difference in range of individual incomes within the two organizations; and, in the second place, a wider and possibly a more uniform allegiance to the Federation on the part of the individuals than is true in the case of the Chamber. Where a few wealthy individuals or corporations bear a large proportion of the expenses of an organization, there is always the possibility that their influence in the determination of policies will be greater than those upon whom the burden is proportionately less. It may be that their influence should be greater, and approximate more or less their financial stake in the organization. In any case, we discover much the same basic problems of taxation confronting the leaders of these group agencies as confront the students of public finance. We cannot settle the question as to whether capacity to pay or interests at stake should be taken as the fundamental basis for distributing financial support. It is a problem that state agencies have settled largely on the basis of expediency; and, so far as may be seen, the leaders of these group agencies are following the same course.

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[14] Some light has been thrown on the variety of methods of raising revenue used by trade associations in a pamphlet published by the organization service bureau of the Chamber entitled, *Financing a Trade Association.* Altogether the methods of financing 114 representative organizations, including manufacturing, service, wholesaling, and retailing organizations were examined. It was learned that the funds secured might be based on sales, production, or output; flat rates; productive facilities or plant capacity; flat rates plus supplementary dues on some sliding scale; capital invested; raw materials used; employees or payroll; or some arbitrary classification.

The various rates of dues and initiation fees exacted by affiliated locals of national and international unions within the American Federation of Labor may be found in a little book entitled, *Instructions to Organizers,* published by the Federation, to which reference has already been made. There seems to be no way at the present time to determine accurately the financial strength of these affiliated organizations, however, in the case of either the Federation or the Chamber. Even if that could be done, it would hardly establish the full potential strength of the two great federations. Assessments may be levied or contributions exacted, the amount of which is indeterminate.

One cannot examine these financial statements without being impressed by the size of incomes and expenditures, and more particularly by the stupendous overhead expenses that are involved in administration and recruiting. The American worker and the American business man may well ask, "Why the need for such expenditures? What indispensable services are rendered that could not be secured more cheaply in some other manner?" If, as we may expect to find, these organizations are serving to adapt a rigid and more or less antiquated governmental structure to the social and economic era in which we live, the answer would seem to be that these expenses must be charged up against the government as being in the nature of quasi-taxes. In that case, not only members of these organizations but the public generally have an interest in their disposition and the manner in which they are provided for. Some of the implications of such a situation must be apparent, but we shall have to postpone further consideration of them until we have observed somewhat more fully the exact way in which these organizations supplement the formal, official governmental machinery.

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[15] The word "taxation" does not of course imply the use of public funds.

The per capita tax, from which the Federation derives most of its revenue, has been the principal source of income from the beginning. According to the constitutional provisions set forth in 1881, each member organization was taxed three cents yearly for each member. Since 1882 a distinction has been drawn for taxation purposes between member unions organized on a trade basis and those organized on a geographical basis, the former being taxed at either a yearly or monthly rate of so many cents per member, the latter on a yearly or quarterly flat rate. It will be remembered that the Chamber made no distinction between these two types of organization members for taxation purposes, basing all such dues on the scheduled annual income of the member organization. The following table undertakes to present in a summary manner the various changes in rates that have been made by the Federation since 1886.[16]

This table emphasizes the gradual but steady increase in the per capita tax on national and international unions, and what amounts to even greater increases in the case of the burdens imposed on geographically organized federations.

Inasmuch as the Defense Fund of the Federation is one of the important elements in the financial control of the organization, some mention should be made of its development and use. Strikes which involve national and international unions are not financed out of this fund, but, so far as the Federation itself is concerned, they are supported by means of special assessments. These special assessments have varied all the way from one cent per member weekly to the ten cents per member levied by the Boston convention in 1889 in the interests of

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[16] The data included in this table were compiled from figures given in the *History, Encyclopedia, Reference Book,* 1919, American Federation of Labor, Vol. I, p. 475, and subsequent *Proceedings.*

TABLE V

RATE OF PER CAPITA TAXATION WITHIN THE AMERICAN FEDERATION OF LABOR, 1886-1928

YEARS	UNIONS ORGANIZED ON TRADE BASIS	UNIONS ORGANIZED ON GEOGRAPHICAL BASIS	
	National and International Unions	Local Trade and Federal Labor Unions	State Federations and City Centrals
1886	1 cent monthly	same	same
1887	¼ cent monthly	same	$25 annually
1888	same	1 cent monthly	same
1888-92	same	same	same
1893-95	same	same	$6.25 quarterly
1896	same	same	$2.50 quarterly and $10.00 extra for representation in convention
1897	⅓ cent monthly	2 cents monthly	
1898-99	same	5 cents monthly	
1900	same	same	
1901	½ cent monthly	10 cents monthly	$10.00 annually
1902-10	same	same	same
1911	⅔ cent monthly	same	same
1912-14	same	15 cents monthly	same
1915-16	¾ cent monthly	same	same
1917-	⅞ cent monthly	same	same
1928	1 cent monthly	35 cents monthly	$10.00 quarterly

the carpenters' eight-hour struggle.[17] The present constitution of the Federation provides that the Executive Council may declare a levy of one cent per member per week on all affiliated unions for a period not exceeding ten weeks in any one year, to assist in the support of an affiliated national or international union engaged in a protracted strike or lockout.[18] The Defense Fund itself is usually employed in the support of striking local trade and federal labor unions.[19] At the present time, twelve and a half cents out of every thirty-five paid in by these unions as dues are set aside for this fund.[20] This arrangement was begun in 1901, when five out of every ten cents so paid in were assigned to the fund.[21] Out of $35,733.78 added to this fund during the fiscal year 1927, the Federation paid out for strike and lockout benefits $10,990.

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[17] *History, Encyclopedia, Reference Book,* American Federation of Labor, 1919, Vol. I, p. 476.

[18] Constitution of the American Federation of Labor, 1927, Art. XII, Sec. 1.

[19] *Ibid.,* Art. XII.

[20] *Ibid.,* Art. X, Sec. 1.

[21] *History, Encyclopedia, Reference Book,* 1919, Vol. I, p. 475.

By reason of its almost exclusive dependence upon per capita taxation collected through the medium of its affiliated unions, the American Federation of Labor suffers a considerable fluctuation in its year-to-year revenue. Chart C, showing the yearly revenues of the Federation from 1881 to 1919, portrays the extent of this fluctuation. Some of the principal reasons for these changes in revenue are to be found in the changing industrial conditions which affect wage rates, conditions of employment, and the general disposition of national and international unions to affiliate and remain affiliated with the organization. It was to meet such changing industrial conditions as these that the Chamber instituted its individual and associate memberships and now depends to an increasing extent upon their contributions. Both the Chamber and the Federation plans of financing have their disadvantages, however; in the one case there is always the possibility that a few large contributors will obtain an undue influence simply by reason of their contributions; in the other, the danger that the yearly revenue will be depleted suddenly because of the withdrawal of a large affiliated union. Which of the two plans is the better? Superficially it would seem as though some plan similar to that of the Chamber, which involves reliance upon both dues and contributions, would be preferable to that of the Federation, which relies upon dues exclusively. But to what source is the Federation to look for contributions? That seems to remain an insuperable problem. These questions may seem on the surface to have no significance to others than the organization themselves, but if, in the performance of quasi-governmental functions, they are serving the public at large, that public can hardly ignore them.

3. ORGANIZATIONAL STRUCTURE—THE CHAMBER

There are, however, in group control other elements than financial technique, and of these the plan of administrative organization is of considerable importance. The constitutional structure of a group agency, as well as that of a state, varies considerably from one group to the next, and these variations have a vital influence upon the efficacy of services performed, the character of policies acted upon, and the general influence of the group upon its members and others interested. Why do not all group structures conform to the same pattern? Why is it that there is apparently no one best type for all groups? With the increasing recognition of the part that such unofficial agencies are destined to play in the economic-political life of the state, more and more attention will be focused upon the relative merits of the several techniques of control utilized, to the end that all groups may profit from the results obtained from such study.

The Chamber of Commerce of the United States is fundamentally a federation of chambers of commerce and trade associations. Its present-day organization is the culmination of seventeen years of experience and adjustment. On its legislative side it consists of a national convention, a national council, a board of directors, and regional meetings. On its administrative side it comprises an Executive Committee, a President, six Vice-Presidents in charge of six geographical divisions, a treasurer, a secretary, and a large staff of officers grouped into four major divisions; administrative, research, promotion, and service functions. Extensive use is also made of special advisory committees and conferences, regional and national, having both an administrative and legislative character. It is not an easy task to trace clearly the unfolding of this organizational equipment but it is worth while, perhaps, merely to sketch this development and explain in a general way the functions of the various units in the structure.

The National Convention, which ordinarily meets in the spring of each year, is composed of duly elected delegates from each of the organization members of the Chamber.[22] This convention is the sovereign legislative body of the organization and may commit the Chamber to policies or activities falling within the scope of the Constitution and By-Laws. The procedure followed at these conventions will be taken up more in detail in a subsequent chapter.

The National Council, made up of one representative from each organization member, serves in an advisory capacity to the Board of Directors, and, as will be noted presently, plays an important rôle in connection with the nomination of members for that body. This Council meets from time to time during the year, usually on call of the President, and serves to crystallize business opinion during the intervals between National Conventions. At meetings just preceding annual

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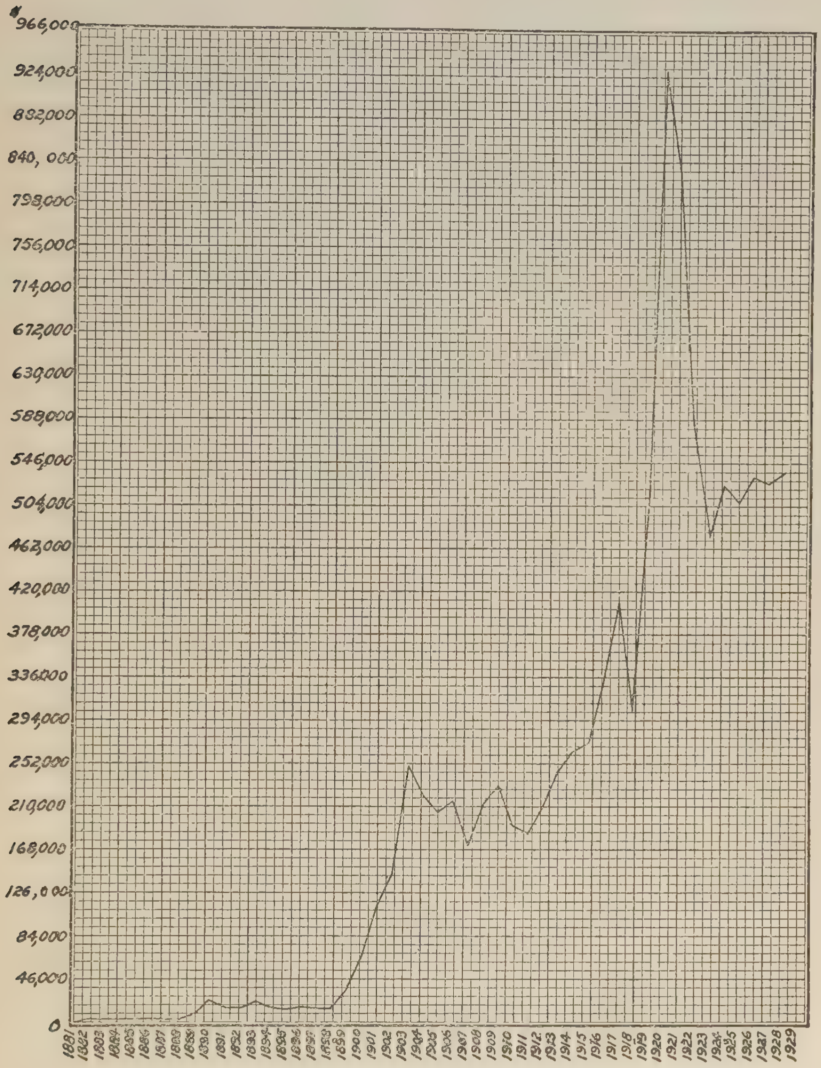
[22] Each organization member with twenty-five members or less is entitled to one delegate and one vote, with an additional delegate and vote for every additional two hundred members; provided, however, that no organization member shall have more than ten delegates or votes. By-Laws, 1927, Art. VI, Sec. 1. It is further provided in Section 2 that "Delegates, who shall be officers or active members of the organization which they represent, and one of whom shall be the National Councillor, shall be selected by each organization in such manner and for such term as it may elect."

CHART C

FLUCTUATIONS IN REVENUE OF THE AMERICAN FEDERATION OF LABOR FROM 1881 TO 1928



conventions, the Council considers the program for the forthcoming convention, discusses matters referred to it by the Board of Directors, and frequently transmits to the convention its opinion on the subjects to be discussed. It appears to have been the intention of the framers of the By-Laws that this agency should be largely responsible for the initiation of policies and projects and should take an active part in bringing about an extensive consideration of them by the membership.[23]

While the National Convention may properly be regarded as the legal sovereign of the Chamber, the BOARD OF DIRECTORS may be regarded as the active sovereign. This Board is composed of 46 members, thirty-four of whom are elective and the remainder ex officio. Of the thirty-four who are elected, eighteen are elected from nine geographical districts (nine each year for a two-year term), and sixteen are elected to represent the trade associations (eight each year for a two-year term).[24] The ex officio members consist of the President, four Vice-Presidents, the Resident Vice-President, who does not have a vote—all of whom are elected by the Board itself—and the Senior Council, composed of the last five preceding presidents.

The method of nomination and election of the thirty-four representative members of the Board gives evidence of an ingenious device, constructed for the purpose of making the Board as representative of the different interests, geographical and industrial, within the organization as possible. The Presidents of any five organization members may by petition propose a nomination for any place on the Board to which there is to be an election at the next annual meeting.[25] These petitions are filed with the Secretary, who thereupon sends to all organization members and National Councillors a list of the nominees for the several vacancies. On the day preceding the annual convention, the National

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[23] The By-Laws provide that "It shall be the duty of each National Councillor to bring to the attention of the Officers and Directors all matters that come to his notice in his own locality or in his own trade association or industry valuable to the members of the Chamber for purposes of information, or such questions of national character, timely in importance, and general in application to business and industry as seem to him to call for consideration on the part of the Board of Directors, or the membership at large." By-Laws, 1928, Art. X, Sec. 5.

[24] Article VIII, Sec. 1, of the By-Laws provides that "At each annual meeting the number of Directors to be elected shall be seventeen, each for a term of two years. . . . Of the Directors elected at each annual meeting, one shall be elected from each election district, and one to represent each of the following departments: Civic Development, Domestic Distribution, Finance, Foreign Commerce, Insurance, Manufacture, Natural Resources, Production, and Transportation and Communication."

[25] Article VIII, Sec. 5, provides that "at least four months in advance of the annual meeting the Secretary of the Chamber shall notify all presidents of their right of petition."

Council meets in two sections. The first section, composed of National Councillors representing Chambers of Commerce and other associations than trade associations, considers and acts upon the nominations for memberships representing the several election districts and the Civic Development Department.[26] The second section is composed of the National Councillors representing trade associations and has before it the proposals for nomination to memberships in the representative departments exclusive of the Civic Development Department.

After each section separately has voted upon the nominees before them, the two candidates receiving the largest number of votes for each vacancy are certified to a joint meeting of both sections, where the final slate is completed by eliminating by ballot one of the two nominees for each vacancy. This slate is then submitted to the National Convention, where additional nominations may be made and where the slate and these additional nominations, if any, are acted upon.

This rather complicated procedure for selecting members of the Board of Directors affords each of the two classes of representatives, those representing functional groups and those representing geographical areas, an opportunity to consider separately for vacancies on the Board nominees representing their particular type of constituency. To those interested in the problem of functional or occupational representation, this procedure will be suggestive. The Chamber has been faced with much the same problem that the modern state is facing. It finds within its jurisdiction some groups organized on a geographical basis and others on an occupational basis. To both the Chamber allows representation in the National Convention in proportion to numbers. To each it gives representation on the Board of Directors. And to each it gives an initial control over the nomination of representatives to particular vacancies on this Board. Instead of discarding one type of election group or area it combines the two; not by setting up separate co-ordinate bodies, but by bringing the two types of representatives together in the Convention and on the Board, emphasizing the distinctive character of their representation in the process of nominating members for the Board. In some instances, therefore, individual members of the Chamber, by reason of their affiliation with both trade and geographical groups, find themselves doubly represented. To charges that such a procedure is undemocratic, the answer may be made that some recognition of interests as well as individuals is doubtless as valid an element in representation as the mere recognition of numbers. This attempt to reconcile the interests of geographical and occupational groups may prove advantageous in other realms of social groupings.

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[26] The Civic Development Department is differentiated from the other service departments in that it serves local geographical areas rather than trade groups.

The evolution of the Board of Directors has displayed a tendency to expand from the simple to the complex. From 1913 down to 1920 the Board consisted of twenty-five directors elected by the annual conventions to serve for two years, twelve retiring one year and thirteen the next. At the seventh annual convention in 1919, however, there developed a considerable amount of discussion relative to the need for enlarging the work of the Chamber, and consequently the Board went ahead with a program of reorganization which provided for several new departments to represent the different branches of industry then in the Chamber.[27] Three of these departments were organized prior to the meeting in 1920, and by April, 1921, five other service departments were added, bringing the total up to eight.[28] This reorganization suggested the possibility of providing for representation on the Board of each of the several sections of American business related to the new departments. This arrangement was effected at the annual meeting in 1920.[29] It was not until 1922, however, that the final details of the above method for electing directors were worked out. At that time the plan was submitted to the membership in a special referendum, the same becoming effective on the tenth of January, 1922.[30]

Accompanying the growth in importance of the work of the Chamber, there has been a marked change in attitude on the part of business men toward serving on the Board of Directors. At first it was often difficult to get men to serve, and even after places had been filled, resignations often occurred.[31] In recent years, however, competition for places on this body has been keen and in some cases has taken on the aspect of a real political campaign.[32] Moreover, service on the

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[27] "Experience has demonstrated," in the words of the last annual meeting, "ways in which the Chamber should expand its organization to accord with its increasing responsibility and obligations and to assure representation of every division of American Commerce and Industry." *Annual Report, Board of Directors,* 1920, p. 7.

[28] These departments were Insurance, Foreign Commerce, Fabricated Production, Domestic Distribution, Civic Development, Finance, Natural Resources Production, and Transportation and Communication. *Ibid.,* 1921, p. 32.

[29] *Ibid.,* 1921, p. 33.

[30] *Ibid.,* 1922, p. 4.

[31] At the third and eighth meetings of the Board several resignations of Directors had to be acted upon by that body.

[32] An interesting illustration of such campaigning occurred in connection with the Board elections in 1927, described to the writer by one of the officials in the Chamber.

Board appears to have a decided effect upon the members themselves.[33] Coming to this place of responsibility, as many of them do, with habits of mind and interest centered on the welfare of their own particular field in the business world, new Directors have a tendency to think in provincial terms of their own interests. But this attitude soon disappears or the term of the member is prematurely shortened.

The authority exercised by the Board is suggested by an enumeration of some of its powers.[34] It passes upon applications for membership in the Chamber; it elects the President, Vice-Presidents, and other executive officers; it selects the Executive Committee and the various special, standing, and advisory committees; it has considerable discretion over the disbursement of funds; and upon occasion it may determine policies and act for the Chamber, provided it clearly states that such action is its own and not that of the Chamber, and provided further that there is no time for action upon the matter by the entire membership. The Board has also much to do with the initiation of policies to be considered by the membership and determines, in the case of matters submitted by others, whether or not they fall within the scope of subjects upon which the Chamber may properly act.[35]

The REGIONAL MEETINGS, to which reference was made above, are the outcome of the decentralization plan inaugurated during the summer of 1923.[36] This plan provided for the establishment of division offices in each of the four main geographical divisions recognized by the Chamber; the placing of one of the four Vice-Presidents in charge of each division; and the setting up of an advisory council to each of the Vice-Presidents composed of the Directors resident within the divisions. At least once each year a series of meetings is arranged in each division for the purpose of discussing and formulating opinion on matters national in scope but of special interest to the division. They are

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The public utility interests within the Chamber exerted every conceivable effort to secure the nomination and election of their representative to the Board. Extensive use of publicity, pledging of National Councillors, and other methods familiar to politicians were utilized.

[33] In a conversation with one of the former Presidents of the Chamber the effect on members of service on the Board was stressed considerably.

[34] By-Laws, 1927, Art. XII.

[35] "All subjects considered or acted upon by this Chamber shall be national in character, timely in importance, and general in application to business and industry." By-Laws, 1927, Art. XIII, Sec. 1.

[36] For a summary of the development of this Decentralization idea see *Annual Report, Board of Directors,* 1924, p. 17. The number of divisions has since been increased to six as a result of a special referendum submitted October 30, 1928. See *Annual Report, Board of Directors,* 1929, pp. 30-32.

usually attended by the President of the Chamber and by members of the Chamber both within and outside the divisions. These division meetings also play an important part in suggesting nominations for vacancies on the Board of Directors.

With regard to the administrative side of the Chamber's organization, it may be noted that within the last few years the service side of the agency's work has undergone several significant changes. In the minds of the founders of the Chamber, such activities as those stressed by the Civic Development, Insurance, and other service departments were not contemplated. Their existence and importance at the present time has been due to a number of factors, among which may be mentioned the necessity for setting up a large secretarial staff to give permanence to the organization, the insistent demand on the part of members who desired to have a constant manifestation and reminder of the wisdom of contributing dues to the organization, the desirability of enlarging the force of fact-gathering and publicity-giving facilities in order to improve the efficiency of the important legislative work of the Chamber, and finally the desire to realize the vision of what the Chamber might do as revealed by its extensive activities during the war.

The EXECUTIVE COMMITTEE dates from the establishment of the Chamber, and its composition and organization have not changed materially. It has always consisted of twelve members, the President and eleven directors chosen by the Board each year, and its power is such as the Board delegates to it. The Presidents are elected for yearly terms and are usually re-elected for one additional term, but the custom has been followed pretty faithfully of having a change in Presidents at least once in every two years.[37] The Vice-Presidents also change rather frequently, whereas the Secretary and the Treasurer seem to have an indefinite tenure. The present Treasurer has served the Chamber in that capacity since its establishment; and the present Secretary, for a long time assistant secretary, became general secretary in 1921.

The present departmental organization is the result of several important changes effected in 1920-21 and in 1927. In the beginning the administrative organization consisted of a general secretary and his assistant; later a small clerical staff, a research department, and information and membership divisions were added. In 1915 an organization service department was instituted, and at about the same time a field department was set up. In 1920 these constituted the staff equipment of the organization.

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[37] Since the establishment of the Chamber the following men have served as President: Harry A. Wheeler, 1913-15; John H. Fahey, 1915-17; R. Goodwyn Rhett, 1917-18; Harry A. Wheeler, 1918-19; Homer L. Ferguson, 1919-20; Joseph H. Defrees, 1920-22; Julius H. Barnes, 1922-24; Richard F. Grant, 1924-25; John W. O'Leary, 1925-27; Lewis E. Pierson, 1927-28; William Butterworth, 1928-.

The headquarters staff of the Chamber of Commerce now has at the National Capital its own building, styled "The Washington Home of American Business," situated at the corner of Connecticut Avenue and H Street, and facing Lafayette Park, across which lie the White House grounds and the White House.[38] It is a structure of beauty and dignity, elaborately equipped for the purposes it is designed to serve. The entire first floor is given over to rooms of various sizes for the use of conferences and organizations of business men meeting in Washington. The remaining three floors are assigned to the officers and clerical force, and comprise, in addition to the familiar partitioned office spaces, a President's reception office of quaint elegance, a Board room, richly and comfortably furnished, for the use of the Board whenever it meets in Washington, and a library containing files of material of particular interest to business research. It would hardly be worth while to comment on these structural aspects of the organization's development were it not for the fact that the very buildings of an organization such as the Chamber or the Federation often reflect more clearly than anything else the spirit and character of a group agency. One cannot go through this magnificent edifice without sensing the financial strength of the Chamber, the thoroughness with which matters are handled, the importance which American business attaches to efficiency in machines, in organizational layout, in the personal habits of its staff. The administrative pattern itself illustrates this emphasis upon efficiency.

Under the reorganization plan which went into effect early in 1928, the work of the Chamber is now grouped into four major divisions.[39] The first of these divisions is known as ADMINISTRATION and centers about the Secretary's office. The work of this division comprises the handling of miscellaneous correspondence; the keeping of accounts; supervision of the membership files; control over purchasing, printing, and supplies; care of the general files, the mail room, duplicating; care of the building; and control over the personnel, both clerical and mechanical. To one unfamiliar with the work of groups such as the Chamber, the amount of the correspondence carried on seems almost unbelievable. Even with the large number on the staff who devote their time exclusively to typing, mimeographing, addressographing, and mailing, the Chamber could hardly begin to meet the demands made upon it, were it not for the manner in which office machinery expertly managed assists in solving the problem. Machines for mimeographing and addressing mail matter are running day and night, and division of labor is carried to the point that corps of girls do nothing but sort incoming and outgoing mail, and men are assigned exclusively to the task of wrapping and placing in envelopes Chamber literature. There are probably very few, if any, organizations better equipped to lay down a barrage of "propaganda" than the Chamber, and it would seem that the success of the modern group agency depends very largely upon the caliber of its publicity artillery.

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[38] The existence of this building is due very largely to the work of Mr. Wheeler, the first President of the Chamber. All members of the organization seem to agree that the success of the Chamber itself has been due very largely to the efforts of their first President. For a summary of the events culminating in the construction of this building see *Annual Report, Board of Directors*, 1925, pp. 27-29.

[39] D. A. Skinner, *How to Use the Services of the Chamber of Commerce of the United States*, 1928.

The second division is known as RESEARCH and is responsible for issuing a Legislative Bulletin during sessions of Congress, publishing a General Bulletin, carrying on correspondence involving research not falling within the scope of other departments, preparing referenda bulletins, and at times conducting research work to supplement that done by the Service Group. Some of the work of this division is legislative. It is through its eyes that American business sees the government in Washington at work. As a rule its staff does not participate in the work of making Chamber policies effective. It is rather a research agency in the sense that it undertakes to give to the members of the Chamber that advice and information which will enable them to follow and understand what the government is actually doing. Possibly the work of this division might well be likened to that of the Legislative Counsel for the Senate. It is in the nature of a legal, political, and administrative guide to the Chamber and the American business men of the country.

The third division is now called PROMOTION and includes within its jurisdiction the Field Department referred to above; the *Nation's Business;* a department called Resolutions and Referenda, supervising the work of the speakers' bureau; and such services as the press service, *Week's Work,* Commercial Organization Service, and the Trade Association Service. This division is quite clearly the selling agency of the Chamber, engaged in dispensing not only memberships but policies as well. In subsequent chapters an attempt will be made to describe in detail some of the activities of this branch of the group's administration, for it is upon this division more particularly perhaps than upon any other that the responsibility for carrying Chamber policies into effect really rests. It is the life-giving source of Chamber activity and upon it rests the responsibility for "correcting" and "adapting" public and political attitudes of mind.

In discussing the election of Directors above, mention has already been made of the SERVICE GROUP constituting the fourth main division of the Chamber's staff organization. It now consists of seven departments, each of which acts as a sort of research secretariat for the business group it represents. Manned by a manager and several assistants, and having the clerical facilities of the entire staff at its disposal, each department prepares reports on matters affecting its field, answers inquiries, issues bulletins, and in general undertakes to render whatever services its clientele demands. Under its direction a business conference may be held, hearings may be conducted, or extensive researches made into some problem of business. For each of these departments the Board of Directors selects an advisory committee composed of from seven to fourteen or fifteen members.[40] Efforts are made to balance each committee by including within its membership the two directors selected to represent the particular branch of business for which the Department stands, as well as others who will represent the different points of view on questions falling within the jurisdiction of the department. In order to unify and stimulate the work of this service group as a whole, staff meetings are usually held twice each week, bringing together the managers and interested officials, and affording them an opportunity for discussing related problems.[41]

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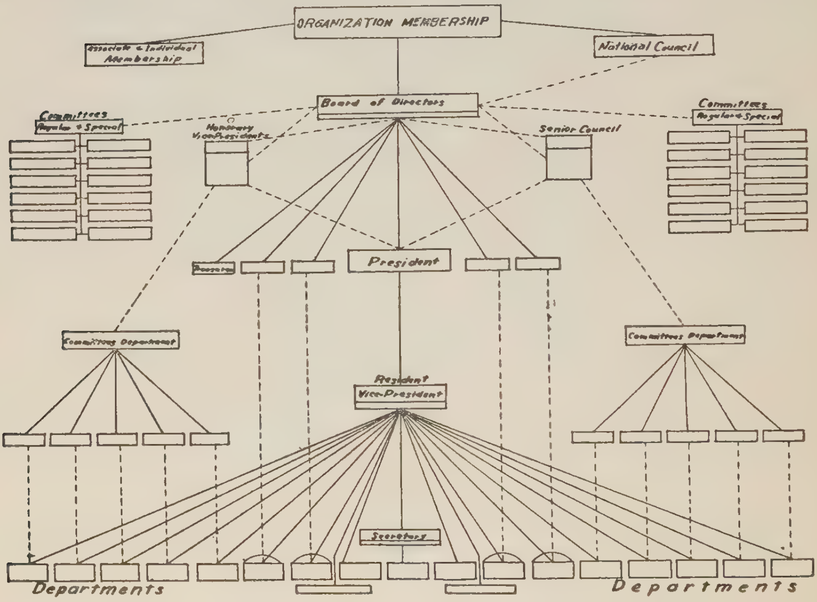
[40] These advisory committees together with certain other special committees appointed by the Board of Directors numbered twenty-eight in 1927-28. They were Aeronautics, Agricultural Service, Banking and Currency, Civic Development, Collection of Business Figures, Colorado River Project, Commercial Forestry Conference, Domestic Distribution, Education, Federal Taxation, Field Department, Finance, Budget, and Audit, Finance Department, Foreign Department, Forest Fire Insurance, Governing Board for the *Nation's Business,* Highways and Motor Transport, Immigration, Insurance Department, Department of Manufacture, Mississippi Flood Control, Natural Resources Production Department, Postal Service, Program for Sixteenth Annual Meeting, State and Local Legislation, State and Local Taxation, Trade Relations, Transportation and Communication Department.

[41] The writer was privileged to attend one of these staff meetings and was impressed by the range of subjects that came before the managers, the freedom with which issues were taken, and in general the round-table character of these discussions. As a rule these meetings last for an hour and only most pressing questions are considered.

Reference has already been made to the lines of control extending over the country from the Field Department, and also to the plan of decentralization that was put into effect during the year 1923-24 and amended in 1929. In each of the main geographical divisions recognized by the Chamber, there has been established an office, in charge of a division manager, through which the Vice-Presidents and their advisory councils can function. These offices are now located in New York; Chicago; Dallas, Texas; San Francisco; Atlanta, Georgia; and St. Paul, Minnesota. In the course of time, the Vice-President and his advisory council came to be looked to more and more by the membership as the channel for bringing particular questions in which the division was interested to the attention of the Chamber.[42]

CHART D

ORGANIZATION OF THE CHAMBER OF COMMERCE OF THE UNITED STATES


ORGANIZATION MEMBERSHIP
Associate & Individual Membership
National Council
Board of Directors
Committees Regular & Special
Honorary Vice-Presidents
Senior Council
Committees Regular & Special
President
Committees Department
Committees Department
Resident Vice-President
Secretary
Departments
Departments

This completes a rather sketchy outline of the Chamber's structure of organizational control of its legislative, administrative, and financial sides. The accompanying chart gives a clearer and more condensed picture of this network of units, perhaps, than the preceding attempt at word description. Charts and words, however, can never portray the actual lines of control that exist. One has to visit the offices, attend the meetings, and talk with the various persons that animate the machinery to get even a glimpse of reality. Financial and organizational means of control are important elements in any group organization, but after all it is the personal element that puts life into these broken or solid lines and gives to the group its color and vitality. By-laws and constitutions can never guarantee where actual control and authority will rest. The centers of initiative and power are constantly shifting and have to be discovered again and again in the light of changing conditions and circumstances. For want of a better approach to this intangible personal factor, we shall later turn to a few word descriptions of some of the leaders, those most responsible for the existence of these two great organizations today.

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[42] *Annual Report, Board of Directors,* 1925, p. 47.

4. Organizational Structure—The Federation

The Federation on its organizational side is similar to the Chamber in that it is a federal body, undertaking to bring its member organizations together for certain purposes, and at the same time leaving to them a wide field of independent endeavor. It is in every sense of the word an agency with delegated powers merely, exercising only such powers as are expressly conferred upon it by its constituency. Throughout the forty-six years of its history, there have been few outstanding changes in its legislative or administrative organization. Except for increases in size and the natural expansion that comes with enlarged membership and funds, the outlines of the Federation's structure are much the same today as they were in the nineteenth century. On its legislative side, it consists today of a national convention and a number of appointed committees. On its administrative side, it includes a President, eight Vice-Presidents, a Secretary, and a Treasurer, the eleven taken together constituting the Executive Council. In addition to these executive officials, there is the Washington staff, which has the responsibility for carrying on the editorial, investigational, and educational work of the organization.

The National Convention of the American Federation of Labor, the supreme legislative authority of the Federation, has, with one or two exceptions, always met in the fall of the year, and the practice has been followed of distributing meetings, so far as possible, over all sections of the country.[43] Delegates to this convention are elected at least two weeks in advance by the affiliated unions, and the apportionment of such delegates among the National and International Unions is based on membership.[44] In a subsequent chapter, detailed consideration will be given to the procedure of these conventions and the work done.

The EXECUTIVE COUNCIL of the Federation carries on the work of the Federation between conventions. By reason of the authority delegated to it, the influential character of its personnel, as well as the practice of re-electing members to long terms of service, the Council has come to have a very important place not only in connection with the executive work of the organization, but with the legislative and policy-determining functions as well. The process of electing members to the Council involves none of the intricacies characteristic of the Chamber procedure described above for electing members to its Board of Directors. Candidates are put in nomination by delegates of the Convention toward the end of the ten days' session, and as a rule the incumbents of the several offices are re-elected in a more or less perfunctory manner. Some few changes in personnel are made from time to time, but as a rule only a very few such changes are made at a single convention.[45] Positions on the Council have from the beginning been coveted by the members. There is little evidence, however, that service on the Council obliterates entirely the member's concern for his own particular field of the worker's world.[46] Due to the fact that the larger unions dominate the Convention most of the time, there is a tendency for them to dominate the Council as well. As a consequence of this situation, the Federation has always had to face the problem, very real even at the present time, of insuring that the Councillors shall subordinate the interests of their own unions to those of the Federation as a whole. To a student of the American Federation of Labor, viewing the organization as one of a number of unofficial agencies of government, the composition of, and the procedure followed by, the Executive Council are of particular interest. Vested with a considerable amount of authority, composed of real leaders in the labor movement, and more or less responsible for the initiation of policies, it has come to be in practice, if not in theory, the sovereign agency of the Federation. Unlike the Chamber, the Federation has not undertaken to go far toward insuring the certainty of widespread representation of all interests in this body. No attempt has been made to provide for minority representation, nor the representation of geographical areas. That the selfish interests of the larger unions have not completely subordinated those of the smaller bodies has been due not so much to the method of representation as to the wisdom and discretion of the oligarchy at the top.

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[43] For a list of the cities in which Conventions of the American Federation have been held and the dates, see *History, Encyclopedia, Reference Book,* American Federation of Labor, 1919, Vol. 1, p. 477 and subsequent *Proceedings.*

[44] See Constitution of the American Federation of Labor, 1928, Art. IV, Sec. 1.

[45] The official longevity of members of the Council may be indicated by the following figures showing the terms of the several members on the Council at the present time. William Green, 1914-28; James Duncan, 1894-1928; Frank Duffy, 1913-28; T. A. Rickert, 1918-28; Jacob Fischer, 1918-28; Matthew Woll, 1919-28; Martin Ryan, 1923-28; James Wilson, 1924-28; James Noonan, 1924-28; Daniel Tobin, 1917-28; Frank Morrison, 1897-1928.

[46] In a conversation with the writer, one of the high staff officials called particular attention to the union partisanship of some of the Councillors.

Recent years have witnessed a notable expansion in the administrative organization of the Federation. In 1916 the cornerstone of the American Federation of Labor Building in Washington was laid, and the structure was completed during the year.[47] This building, plans for which had been discussed as far back as 1903, brought to fruition the dream of Samuel Gompers and some of the other leaders of the organization, to have a home for American Labor in Washington. In company with its neighbor, the "Home of American Business," it radiates in a sense the spirit and character of the organization it serves. Although not as imposing as the Chamber building, it is distinctive and adequate for the purposes desired. Here on its seven floors are housed not only the staff forces of the Federation itself, but also those of several of the Departments of the Federation, the International Seamen's Union, the Federation of Federal Employees, and several other national and international unions. On the first floor one discovers a memorial room dedicated to the life and work of Mr. Gompers. Farther up is the library which the Federation hopes to make the most complete trade-union library in the country. On the seventh floor, looking east toward the National Capitol, are to be found the executive offices of the organization and a large conference room, wherein many dramatic incidents have occurred affecting not only the labor movement throughout the country but the industrial and political life of the nation. To this building come important figures in the industrial life of the nation—Congressmen and public officials interested in the aims of organized labor, lawyers and counselors to advise with Federation officials with reference to policies, labor leaders fresh from the industrial warfare that is being fought in different sections of the country and the world, and business *entrepreneurs* to conciliate and adjust their problems.

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[47] The cornerstone was laid January 8, 1916, and the dedication ceremony was held on the following Fourth of July. The President of the United States delivered the principal address, followed by the Secretary of Labor and the President of the American Federation. Members of the Executive Council, the Vice-President of the United States, members of the President's Cabinet, and members of Congress were present. See *Proceedings*, 1916, p. 49.

The lines of administrative control are not as elaborately nor as carefully drawn as in the case of the Chamber. There seems to be a complex on the part of the Executive Council and some labor executives against departmental organization, and theoretically the Federation has no bureaus except the LEGAL INFORMATION BUREAU. This bureau, established in 1922, makes studies and analyses of judicial decisions affecting Labor and publishes the more important of these decisions in a LEGAL INFORMATION BULLETIN, which is issued from time to time.[48] It also issues statements and advice to affiliated unions to aid them in connection with litigation in the courts, and further assists by securing the co-operation of lawyers sympathetic to the labor movement.[49]

Other activities of the Federation are for the most part directly under the supervision of the President. This is true of the LEGISLATIVE COMMITTEE, which is not a committee in the usual sense of the term, but rather a small group of men representing the organization in legislative matters. This committee has had a long and varied experience and is an extremely important branch of Federation administration. At the present time the work is carried on by three officials and a small staff of clerks. While Congress is in session the task consists very largely in following legislative activities on the "Hill" and making Federation policies effective. Two of the representatives spend a good deal of their time at the Capitol, attending hearings, interviewing Congressmen, and in general doing whatever seems to be necessary to advance the legislative interests of the organization. The third member of the Committee devotes most of his time to office work, supervises the keeping of records, and conducts the correspondence falling within the scope of the Committee.[50] Although reports of the work done by these legislative representatives are frequently made to the Executive Council and important decisions are sometimes referred to the Executive Committee, the President keeps in close touch with their activities and decides policies from day to day.

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[48] The staff of this bureau consists of a director and several assistants. The director, Mr. Woll, is one of the members of the Executive Council.

[49] The Federation, largely because of inadequate finances, has never had the staff force desired. In the determination of its policies and methods of procedure, however, it has been fortunate in being able to secure the advice and co-operation of interested people throughout the country. In the preparation of legislation to deal with the injunction problem, for example, more than fifty outstanding lawyers in the country were consulted.

The WEEKLY NEWS SERVICE and the AMERICAN FEDERATIONIST are the two principal publicity channels through which the Federation reaches and informs its constituency. The function of the former is to supply information to the labor press, the daily press, and publications of all kinds. The *American Federationist* is a monthly magazine which carries to its subscribers the labor viewpoint through the medium of special articles and editorials discussing the policies and problems of the movement. In addition to these administrative services, contacts are maintained with numerous outside agencies, either through unofficial relationships or in a more formal co-operating manner. Mention should be made, perhaps, of the Educational Committee which works with the Workers' Education Bureau in the establishment of co-operating local committees to carry into effect locally the educational program of Labor. The former concerns itself very largely with Labor and public-school relationships, while adult education is left very largely in the hands of the latter. The following chart depicts these unofficial and co-operating relationships, and suggests the extent to which the Federation has gone in attempting to meet the problem of serving its members by utilizing outside agencies. One cannot visit the offices of this great labor federation without being impressed with the financial handicaps under which the agency works. Every effort is being made to make every cent of expenditure yield the maximum returns in service, and yet the apparent insufficiency of office personnel not only makes the performance of certain services impossible but also handicaps the most efficient performance of those that are undertaken. Most of the members of the administrative staff have grown up with the Labor movement, and the work that they are doing is something more than a mere job. It is a life work; it is a profession. In spite of the visible shortcomings in office management and technique, there is a spirit, an emotional urge, behind the work that is done that completely rebuts the impression that the workers are solely interested in what they can get out of it for themselves.

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[50] In a later chapter the work of this committee and the legislative activities of the Federation will be considered more in detail. For a list of legislative representatives since 1881 see *History, Encyclopedia, Reference Book,* 1919, Vol. I, p. 477. The men selected for this work are as a rule men of unusual ability, possessing the most complete knowledge of the Federation and its policies, an exceptional insight into the procedure on the "Hill," and endowed with great capacity for leadership and the ability to deal with men. The writer was privileged to meet and accompany one of the most efficient of the Federation's legislative committeemen, Mr. Wallace, on his daily round of duties. Legislative committeemen were first elected in 1895. Since 1898 they have been appointed by the Executive Council, their number varying from one to four members.

Before leaving this rather cursory examination of the scheme of administrative organization, attention should be called to the fact that in recent years more and more stress is being laid upon educational and research activities. There seems to be a realization on the part of the leaders that new methods and new approaches must be employed if the organization is to continue to progress. A careful student of the Labor movement and one closely in touch with the work of the Federation has stated: "To my mind one of the big differences between Mr. Green's administration and Mr. Gompers' is the emphasis that Mr. Green is putting upon educational methods." This emphasis finds expression not only through research pamphlets, but also through the *Federationist*, through organizing literature, and through President Green's speeches. Within the last three or four years several research investigators have been employed to make studies of interest to the organization, to compile data at the request of particular unions, and to publish a monthly digest of business conditions for trade-union officials. When compared with the elaborate procedure and facilities used by the Chamber, these initial research efforts of the Federation seem impotent and ineffective. But a start has been made, and in common with other great unofficial agencies the Federation is beginning to appreciate the importance of research, not only as a truth-finding machine but as a publicity agent as well.[51]

Numerous points of comparison and contrast between the system of administrative control of the Federation and that of the Chamber suggest themselves. Into these we shall not go at this time. Organizers and field secretaries, legislative committees and resolutions and referenda departments, research departments and service groups, executive

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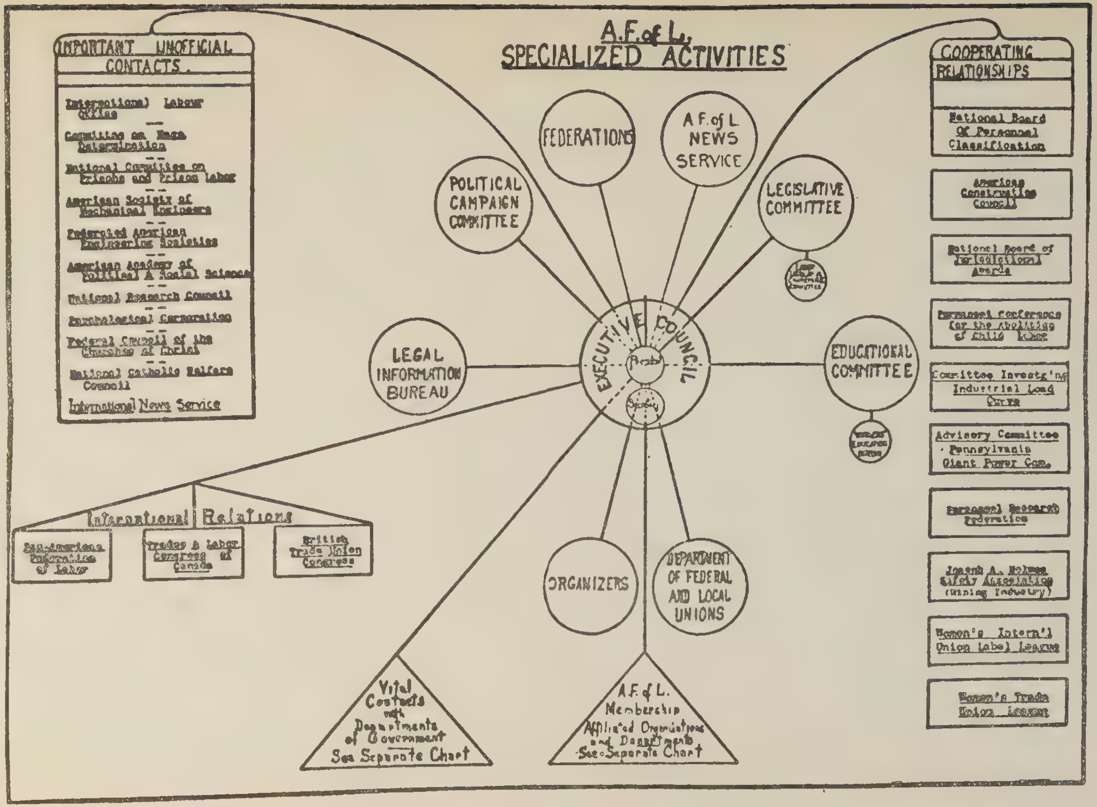
[51] The series of research studies now includes six pamphlets, five of which are studies of wages.

CHART E

ADMINISTRATIVE ORGANIZATION OF THE AMERICAN FEDERATION OF LABOR IN 1925


A.F. of L.
SPECIALIZED ACTIVITIES
IMPORTANT UNOFFICIAL CONTACTS.
International Labour Office
Committee on Wage Determination
National Committee on Prisons and Prison Labor
American Society of Mechanical Engineers
Federated American Engineering Societies
American Academy of Political & Social Science
National Research Council
Psychological Corporation
Federal Council of the Churches of Christ
National Catholic Welfare Council
International News Service
COOPERATING RELATIONSHIPS
National Board Of Personnel Classification
American Construction Council
National Board of Jurisdictional Awards
Permanent Conference for the Abolition of Child Labor
Committee Investg'ng Industrial Load Curve
Advisory Committee · Pennsylvania Giant Power Com.
Personnel Research Federation
Joseph A. Holmes Safety Association (Mining Industry)
Women's Intern'l Union Label League
Women's Trade Union League
POLITICAL CAMPAIGN COMMITTEE
FEDERATIONS
A.F. of L NEWS SERVICE
LEGISLATIVE COMMITTEE
LEGAL INFORMATION BUREAU
EXECUTIVE COUNCIL
Presd.
Secty.
EDUCATIONAL COMMITTEE
ORGANIZERS
DEPARTMENT OF FEDERAL AND LOCAL UNIONS
International Relations
Pan-American Federation of Labor
Trades & Labor Congress of Canada
British Trade Union Congress
Vital Contacts with Departments of Government See Separate Chart
A.F. of L. Membership Affiliated Organizations and Departments See Separate Chart

councils and boards of directors, as well as workers and business men stand face to face in a great industrial-political arena. In many details the lines of control that serve to hold these elements together vary; but from a more distant point of view they assume a certain similarity, suggesting the fundamental basis on which these powerful and encompassing agencies rest. Reaching out over the widespread membership covered by these two group organizations stretch the lines of financial control, strengthening the central unit and at the same time cementing the allegiance of millions of individuals to the organization. Even more clearly visible to the observer appear the lines of structural control, the administrative hierarchy, which brings the scattered parts of the group into interdependent relationships and achieves, out of a diversity of aims and purposes, a common group program. Less tangible, perhaps, but of even greater significance in control, are the personalities that animate and guide the activities of this great product of an industrial age. Limits of time and insight preclude any attempt to appraise the personal elements that vibrate the more formal machinery. It may be suggestive, however, to give brief sketches of three or four of the leaders, the creators—or products, if you will—of the great unofficial agencies of government.

5. PERSONAL LEADERS

Several persons closely in touch with the history of the American Federation of Labor and the Chamber of Commerce of the United States were asked by the writer to name five persons in each group agency who might properly be regarded as most responsible for the existence and present standing of their respective organizations. Such a difficult question could result only in an expression of the personal opinion of the one addressed; but, if not the most outstanding leaders in all cases, the following men have played no small part in the life history of these two great federations. In the case of the Chamber, Harry A. Wheeler, Julius H. Barnes, Joseph H. Defrees, Elliot H. Goodwin, and John J. Edson have been outstanding figures. Throughout the somewhat longer history of the American Federation, such men as Samuel Gompers, William Green, Frank Morrison, Andrew Furuseth, and Matthew Woll have stood out, along with many others, as great leaders. In limiting the number to five, or even twenty-five, one is hardly doing justice to the long list of men that have served to develop these organizations. But such men as those enumerated, if they do not entirely embody the element of personal control that has grown up with the organization, at least typify the spirit of the movement. Most of them are still living and active in the work of their respective groups.

Whatever may be said about the relative standing of the other eight men in the evolutionary history of their respective group organizations, no one seems prepared to question the rôles played by Samuel Gompers and Harry Wheeler. The former, tempestuous and impulsive, dominating, yet leading, was until the time of his death in December, 1924, a genius in the art of personal mastery. Small of stature, with head and body proper curiously out of proportion to the rest of him, Mr. Gompers was for nearly a half century a conspicuous figure in the industrial and political life of the nation. Born in 1850 in London, he came to this country in 1863, to work in New York at his trade as a cigar-maker. His interest in the trade-union movement developed at an early age, and he played an important part in the development of the Cigar-Makers' International Union. Subsequently he assisted in the formation of the Federation of Organized Trades and Labor Unions of the United States and Canada, which in 1886 became the American Federation of Labor. With the exception of one year, he was President of the Federation throughout its long history down to the time of his death. On several occasions he was sent by the Federation as a delegate to the British Trade Union Congress. In addition to serving as first Vice-President of the National Civic Federation for a time, he performed a number of important governmental duties during the World War—as a member of the Committee advisory to the National Defense Council, as a representative of the Federation at the Peace Conference in Paris, as President of the International Commission on Labor Legislation at the peace conference, as a member of the President's first industrial conference in 1919, as a member of the President's Unemployment Conference in 1921, and of the President's Advisory Disarmament Committee in 1921. In addition to an extraordinarily active life in the field of labor struggles, Mr. Gompers wrote numerous books and articles, of which *Seventy Years of Life and Labor* gives as complete a story of his eventful life as there is.

Mr. Harry A. Wheeler was sixteen years the junior of Mr. Gompers. Born in Brooklyn, New York, in 1866, he came as a young man to Chicago, where within a few years he began to play an active part in the commercial life of the city. From 1894 to 1910 he served successively as district manager, Vice-President, and President of the Credit Clearing House of Chicago. In 1910 he became Vice-President of the Union Trust Company in that city, and in 1924 the President. Since his arrival in Chicago he has always taken an active part in the work of the Chicago Association of Commerce, first as its General Secretary, then as a Vice-President, as chairman of the Executive Committee, and finally as President in 1911. The following year he began his work as President of the Chamber of Commerce of the United States, an office which he held for two years, and to which he was recalled in 1918-19. His interests have not been exclusively confined to business, however. In 1910 he served as chairman of the Chicago Public Library Commission, and since that time has served as trustee of Northwestern University and Vassar College. During the World War, as a prominent official in the Chamber, as fuel administrator for Illinois, and after the War as a member of the President's Industrial Conference in 1919, he assisted the government in an advisory and executive capacity.

These, then, are the men who have done so much to bring their respective organizations to the prominent position those agencies occupy today. Both evidenced, at a comparatively early age, a marked interest in organization work and an ability to bring men together for the accomplishment of a common purpose. Unlike in so many respects, they both possessed energy and an ideal. Both made men their objects of study and interest. In environment, temperament, and method, they were as unlike as two men could possibly be; but along many lines their genius coincided.

Mr. Barnes and Mr. Defrees, the one a wheat exporter and the other a lawyer, display qualities of a somewhat different character from those of Mr. Wheeler. The former came into national prominence during and after the War as President of the United States Food Administration Grain Corporation, President of the United States Grain Corporation, and as United States Wheat Director. The years immediately following the War accorded him extensive international recognition and found him the recipient of many academic degrees.[52] Mr. Defrees moved to Chicago from Indiana in 1888 at the age of thirty, and in addition to his corporation law practice he played an active part in the work of the Chicago Association of Commerce and the national, state, and local bar associations, as well as in numerous educational and business associations.[53] Both men have been closely associated with the work of the Chamber, the latter since 1914, and the former during and since the War.[54]

Mr. Green, successor to Mr. Gompers as chief executive of the Federation, came to the Presidency of the organization in 1924 with an unusual fund of experience and talent to place at its disposal. His ruddiness, his powerful chest and broad shoulders mark him physically as a leader and belie somewhat his emphasis upon facts rather than fists as the way to industrial peace. Twenty-three years the junior of Mr. Gompers, he brought to the Federation not only a consecration to the late President's ideals, but also a technique of approach to trade-union problems more closely in line with modern trends. During his early middle life he held various offices in the Ohio district of the United Mine Workers and in 1913 became Secretary-Treasurer of that International, an office which he held down to the time of his election to the Presidency of the Federation. Throughout his career he has shown a keen interest in politics, serving for two terms in the Ohio Senate, and acting as delegate to the Democratic National Conventions of 1912, 1920, and 1924. One of the outstanding contributions of his administration so far has been his emphasis upon educational methods. He has tried to substitute for the emotional appeals, the intuitive judgments, and the uncanny sense of the dramatic so characteristic of the Gompers era carefully thought-out objectives supported by facts and careful reasoning. In so doing Mr. Green has not escaped criticism from the "militant school" within the organization. Notwithstanding this criticism, however, he has succeeded in adjusting a host of jurisdictional disputes inherited from the last years of the Gompers administration, in creating good-will toward trade-unionism

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[52] Mr. Barnes received an honorary Master of Arts Degree from Harvard in 1921; the same from Dartmouth in 1921; an LL.D Degree from the University of Pittsburgh in 1923; and a Doctor of Business Administration Degree from Syracuse University in 1924; and in 1921 he received an honorary Phi Beta Kappa membership from William and Mary College. His foreign decorations are numerous and include the following: Commander of the Order of the Crown (Belgium); Officer Legion d'Honneur (France); Commander of the Order of the Crown (Italy); Gold Medal (Poland); Commander of the Order of the White Rose (Finland).

[35] Some of these associations are National Institute of Social Sciences, American Academy of Political and Social Sciences, Academy of Political Science, National Association for Constitutional Government, National Municipal League, National Institute of Economic Research, National Economic League, and the National Bureau of Economic Research.

[54] Mr. Defrees died February 5, 1929.

on the part of outsiders, and in laying the foundation for an energetic organizing campaign recently initiated.

Mr. Furuseth, another striking personality who has been associated with the work of the Federation almost from its beginning, came to this country in 1880 at about the same time that Mr. Duncan arrived here. A follower of the sea for many years, he has breathed into the ideals of the Federation a breath of freedom that to many constitutes his particular contribution to the work of the organization. A member of the Sailors' Union of the Pacific, since 1908 he has been President of the International Seamen's Union of America. Self-educated to a remarkable degree, actively interested for many years in legislative matters, a fighter and a dreamer, he wields today a far-reaching influence over the policies of the organization.[55]

These then are some of the men that have brought these great unofficial agencies into being. Every one of these figures could well be made the object of an exhaustive study in leadership. Frank Morrison, the staunch associate of Mr. Gompers through his long series of struggles; Matthew Woll, who came into national prominence during the War as an orator and leader; Elliot Goodwin, the steadying guide in the process of Chamber development; and Mr. Edson, the controller of Chamber finances throughout its history—all of these must also be considered in any adequate appreciation of the unfolding of the characteristics of these groups. In private conversation all of these men reflect a seriousness of purpose, a devotion to a cause that has become to them almost a religion. Even to the superficial observer, their techniques of control are different. On the one hand you have the energy, devotion, physical strength, and oratorical ability that has such an appeal for the masses. On the other hand one finds men of wealth and education, quiet, devoted to their cause, but supremely tactful, guiding the human elements with whom they come in contact by a reserve force, partly financial, partly intellectual, and partly personal.

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[55] Mr. Furuseth has a curious, surprising intellectual power. By many of the members of the Federation he is considered their master mind. Others, however, feel that during the last fifteen years or so he has been a distinct liability, more interested in abstract principles than in the welfare of the Federation.

Chapter III

FORMULATING OBJECTIVES

1. Evolution of Chamber Aims

Rarely, if ever, do groups such as the Chamber and the Federation cling persistently and continuously to a given set of objectives. In the course of time, as the influence of the group increases or diminishes, as the personnel of the leaders changes, as new external conditions arise affecting the interests of the group membership, many of the original aims lose their appeal and are supplanted by others, added to, or discarded altogether. The history of these changing ideals, whether of a group such as the Federation or the Chamber, a state, or an even broader social grouping, is as interesting as it is difficult to trace accurately. The difficulty arises in part out of the fact that such ideals are seldom expressed but remain to a large extent subjective in the minds of group members and leaders. It is true that most organized groups undertake sooner or later to put their ideals and objectives into written form, in either a constitution or some other formal document, but no matter how carefully written and amended from time to time these written expressions may be, they seldom reflect all the real purposes of the organization, much less the changing character of those aims.[1] These written formulations, however, together with statements made by different leaders, and the concrete manifestations of inner purposes revealed in the day-to-day activities of the group, are suggestive of these objectives and may not lead the student far astray.

The formal statement of Chamber objectives, which is to be found in the By-Laws of the organization indicate two principal lines of endeavor: first, the encouragement of domestic and foreign trade; second, the development of co-operation among business organizations in the interest of efficiency, uniformity, and equity in business usages and laws, and the proper consideration by the government of questions affecting business and civic interests.[2]

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[1] The Chamber of Commerce of the United States publishes from time to time a book entitled the *Policies of the Chamber of Commerce of the United States of America.* This book is virtually a compilation of the various resolutions adopted at annual meetings and propositions to which the Chamber has been committed through referenda.

Even the most cursory examination of the Chamber's history shows how inadequate a statement this is of the complete, underlying aims of this body. That these aims as stated have played a part in the history of the Chamber may not be denied, but they scarcely indicate either all original aims or those that motivate the group membership at the present time.

In the earlier discussion of group beginnings mention was made of some of the reasons underlying the establishment of the Chamber. One of the basic reasons, as there suggested, was the prevailing sense of insecurity and fear, among American business men, arising out of the increasing number of laws that were being passed in this country regulating business. Governmental regulations of business had given rise to numerous organizations and associations of business men, most of whom were seeking to prevent what seemed to them to be encroachments by the government upon the realm of private business initiative; and, as a means of prevention, they were organizing more and more powerful lobbies in Washington and at various state capitals to protect their "interests."[3] The rivalry of these business groups not only confused the legislators but in the end defeated the aims of the associations themselves, affording an opportunity to other powerful minority organizations, such as labor and agricultural associations, to influence legislation and secure the passage of laws contrary to the prevailing desires of business.[4] From many sources came demands for an organization, nation-wide in scope, to bring order out of this chaos, assimilate the conflicting business desires throughout the country, and act as a clearing house for the opinions of business men. Such an organization would naturally be able to perform many related services for its members, the government, and the public; but its primary purpose as conceived by its founders was to establish an organ through which business could speak authoritatively to the government, in order that the government, supplied with this information, could act more "intelligently"; that legislation and the desires of economic interests could be more closely co-ordinated; and that the sense of fear and uncertainty among business men could be removed.[5] These were the fundamental objectives leading to the establishment of the Chamber. Specific dangers are constantly changing, but these purposes are as real today as they were in 1912.

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[2] "This organization shall be known and designated as the Chamber of Commerce of the United States of America. It is formed for the purpose of encouraging trade and commercial intercourse among the States and Territories, and the insular possessions of the United States of America and with foreign nations, and of promoting co-operation among chambers of commerce, boards of trade, and other business and industrial organizations of the United States, increasing their efficiency and extending their usefulness. It is intended to secure co-operative action in advancing the common purposes of its members, uniformity and equity in business usages and laws, and proper consideration and concentration of opinion upon questions affecting the financial, commercial, civic and industrial interests of the country at large." By-Laws, Chamber of Commerce of the United States, 1927, Art. I.

Mr. Wheeler, shortly after his election as the first President of the Chamber, in a speech before the Union League Club of Chicago on May 14, 1912, enumerated three reasons for the establishment of the Chamber: in the first place it would constitute a clearing house for business opinion; second, it would conserve and make available for American business the mass of information of interest to business, accumulated at Washington; finally, it would be in a position to assist the creation of a foreign outlet for our surplus production by securing an American merchant marine, encouraging better relations with South America, and inaugurating a "scientific tariff."

[3] This fear has given rise to the development of the movement toward "self-regulation by business," vigorously sponsored by the Chamber during the last few years, and being worked out in part by the development of the "trade practice submittal" and joint industrial committees organized to study and recommend business practices of a constructive character. The Chamber has done much toward the securing of adoptions of codes of ethics by various business associations, and is seeking in this way to obviate the necessity for further governmental regulation. There has been a great deal written on these developments. For the Chamber's point of view see the following: Lewis E.

Stirred by the desire to make the collective mind of American business articulate and to direct the ship of state through channels that would please the commercial mind, business and the government cooperated in organizing the Chamber, and an attempt was made to bring within its membership as wide a range of business opinion as possible. President Wilson, in an address before the second annual convention, emphasized the advisability of this action,[6] and it was largely

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Pierson, *The Responsibility of the Business Man to His Government;* Edwin B. Parker, *Self Regulation by Business, Trade Abuses,* and *Principles of Business Conduct* published by the Chamber of Commerce.

[4] See speech of Mr. Wheeler before the Union League Club of Chicago, on May 14, 1912, referred to above.

[5] The situation that existed at the time the Chamber was organized has been described as follows:

> "Conflicting voices answered when the people's representative, approaching business legislation, strove intelligently to fulfil the wishes of their constituents. A locality looked upon a national question from its own point of view and voiced a local, one-sided conclusion. An industry or trade studied a national question from its own particular viewpoint and presented an incomplete judgment. Each was honest and sincere, yet each unconsciously magnified self-interest and prescribed a restricted view." *An Experiment in Democracy,* pp. 1-2; published by the Chamber.

[6] "You cannot perform the functions of this Chamber without drawing in not only a vast number of men, but men and a number of men from every region and section of the country. Its strength must come from the uttermost parts of the land and must be compounded of the brains and comprehensions of every sort." *Ibid.,* p. 8.

for the purpose of realizing this aim that the referendum system was adopted, a mechanism for mobilizing business opinion which has been used from the very beginning.[7] Through this medium, as well as through meetings of the Chamber once or more each year, it was hoped that competing and expensive lobbies would be scrapped, that business would take a more intelligent interest in great national problems, and that legislators would find in the Chamber an authoritative source from which to secure advice on business problems.

At the outset, therefore, it appears that the sponsors of the Chamber idea visualized the organization as a national opinion-finding agency, an instrument of usefulness both to the government and to business men the country over. To a certain extent this initial purpose continues to dominate the activities of the Chamber; but in the course of time new objectives were grafted on to the original, until the Chamber of 1929 has become something quite different from the institution of its founders. One of the first changes in emphasis that took place came, a few years after the establishment of the Chamber, with the stressing of the service functions of the organization. As one of the former Presidents has stated, many contributing members began to demand a consideration for the dues and contributions they were making; some other return than the intangible satisfaction that came from the knowledge that the government was securing "authentic business advice" of such a character that legislation in the interest of business would take the place of restrictive meddlesome laws. Out of these demands came the expansion and development of the Chamber's administrative services, and their final crystallization into departments representative of the main divisions of American business, to which reference has been made in a previous section. Not only does the Chamber now seek to obtain the judgment of American business on national questions and to secure consideration of these views by the national government, but it also undertakes to aid directly through its own researches, its own conference machinery, and its own experts, the numerous organizations, firms, and individuals constituting its membership. From a purely interpretive agency, it has evolved into an educative organization, striving not only to express business opinion but also to inform and to enlighten it.

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[7] The referendum system, which will be described in considerable detail in a subsequent chapter, was first used in November, 1912. At that time a referendum dealing with the National Budget was submitted to the membership.

From this educative stage in the evolution of group objectives to the creative and regulative stages, the passage was easily and quickly made. Education is a slow process. The distribution of facts, the publishing of reports and investigations seldom contribute to the development of a generalized agreement on the part of a number of individuals as to the solution of a particular problem. Such facts have to be evaluated, policies have to be created to reflect these evaluations, and the group agency soon becomes an active rather than a passive medium through which business opinion may express itself. It is not surprising, therefore, that one can detect, in the aims of the Chamber during the last few years, an increasing emphasis upon the creation of business opinion as well as the interpretation of it. Carefully selected committees undertake to harmonize conflicting views and formulate policies behind which business as a whole can stand; regional and national conferences are utilized to mold business opinions; and even the referendum system itself becomes an instrument through which prearranged programs may be ratified rather than a mere device for interpreting business judgments.

But the evolution of Chamber objectives has not stopped here. To interpret, to educate, and to create business opinion still falls short of what business desires if governmental regulation and interference persists, if "paternalism," "socialism," and governmental encroachment in the economic sphere continue. As the President of the Chamber has stated,

> As citizens we cannot permit American government to be buried under a multiplicity of bureaus, and an avalanche of taxation. We serve neither our own purposes nor those of the government when we meekly submit to the growing idea that government at will can step from its throne to enter the marts of trade to compete with the enterprise of its citizens.[8]

The current interpretation of this objective, verbalized in the quotation cited, takes two forms: first, an emphasis upon the need for more extensive regulation of its own activities by business itself through the widespread adoption of codes of business ethics, the extension of the use of the trade practice submittal, and the further development of industrial pools of information; and, secondly, the call for more aggressiveness and a greater militancy in the carrying out of the policies formulated by the Chamber. In an address delivered before a meeting of the National Council held at West Baden, Indiana, October 18, 1927, President Pierson stated:

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[8] Lewis E. Pierson, *The Responsibility of the Business Man to His Government*, p. 11.

> The time has passed when it is enough for business merely to assemble facts for the use of the government. Convinced as we are that all our people cannot continue to prosper unless America's business is prosperous, and mindful of this Chamber's motto that "If it is not for the public good, it is not for the good of business," the American nation must be aroused to insist that business facts shall be translated intelligently into national action. . . . To discharge its responsibility to government and to the nation, American business must become militant. It must create a public opinion which can make itself felt when the need arises. It must stand boldly upon the premise that once government has protected life, liberty, and the pursuit of happiness, its next duty is to maintain American prosperity, by securing to industry that independent initiative which is our sacred birthright from our forefathers. . . . When government understands that the National Chamber really voices the sentiment of American business, and that the American business man stands ready to fight for the things he knows the country needs, then and then only will the government properly respond to the legitimate demands of American business.[9]

This then is a cogent expression of the goal of the Chamber as conceived by its leaders today. From the conception of an organization designed to assemble business opinions for the convenience of governmental officials to an agency aiming to create public opinion on business matters and militantly to carry them into effect may seem a radical deflection from the course originally set. But after all is it so striking a change? Has the philosophy of business altered so markedly? The Chamber, constructed for the purpose of skimming from the surf of self-seeking desires the best of generalized business opinion, soon discovered that mere opinion, however intelligent and widespread, made but little impression upon the legislative mind of the nation. To make its opinion felt, which after all was undoubtedly the subjective if not the objective aim of the founders of the Chamber, it became necessary to fight and apply pressure. Only thus would the Chamber be able to make its policies effective and justify its existence. The question may well be raised whether services to members, the efficacy of its interpretative machinery, or the degree to which policies are carried into effect should be regarded as the measuring stick of the future permanence of the organization. Each of these phases of Chamber activity requires detailed treatment, and an attempt will be made in subsequent chapters to consider them. The Chamber exists today to further them all, but the extent to which such objectives are and should be realized and the implications foreshadowed by the realization of such aims are questions of importance, not only to the members of the Chamber, but to the state and other social and economic groups.[10]

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[9] *Ibid.*, pp. 14-16.

2. DEVELOPMENT OF FEDERATION IDEALS

As in the case of the Chamber, so in the case of the American Federation of Labor, the task of distinguishing between fundamental aims and purposes and incidental and supplementary activities is a difficult one. The activities of the Federation are numerous and varied. They include, as we have noted, the chartering of newly organized unions, the settlement of jurisdictional disputes, the distribution of strike benefits, research, educational activities, the framing of legislative proposals, appearances before Congress in behalf of labor measures, efforts in behalf of or against political candidates, and hundreds of other activities, relative emphasis upon which has been constantly changing. It is not the purpose of this section to trace in detail the evolution of Federation policies. Undoubtedly such a study would be a valuable one. But the purpose here will be to indicate merely those basic changes, if any, which have served to alter fundamentally the evolution of Federation ideals since 1881.

In reviewing the history of the Federation's objectives, one is struck at once by their continuity. For nearly a half century the group has clung persistently and tenaciously to its initial aims. One important reason for this is to be found in the fact that on the whole the personnel of the leaders has changed but slowly over this comparatively long period. From the very beginning Samuel Gompers was the leading spirit, serving in some important executive capacity throughout the entire period from 1881 down to the time of his death in 1924, and active as President from 1886 to 1924, with the exception of the year 1894. We have already observed that there is a remarkable degree of official longevity in the case of the members of the Executive Council. It is only natural, with one member of the Council serving for forty-four years, another for thirty-four, and another for thirty-one, that fundamental changes in policy would be infrequent. New problems and new issues might arise, but there would be on the part of the Federation a definite tendency to approach them from the same viewpoint and with the same prejudices. And right at this point one may detect in the character of the trade-union membership another reason for the constant attitude of mind that has marked the unfolding of Federation characteristics. The Chamber, made up as it was of the upper-middle and upper classes, possessed of more wealth, and in general of more education, might well start out with the idea of merely interpreting the desires of its constituency. The self-interest of such a membership might be expressed without much active leadership. But in the case of the trade-union constituency, the situation has always been different. Even in the more skilled trades, the individual trade-union member has found it difficult to make his desires and interests articulate. They have had to be not only interpreted by the leaders but actually formulated and created. There has not been a large number of capable leaders available, as in the case of the Chamber. Consequently, based as it has been upon masses of intellectually passive individuals, the Federation has had to look to its few leaders for whatever policies it has developed. To a greater extent than in the Chamber, the leaders of the trade-union movement in this country have had to be real leaders in thought as well as in action.

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[10] Limits of time and space preclude a summary of the policies established by the Chamber through its fifty-three referenda. From time to time the Chamber publishes in pamphlet form such summaries. See in particular, *Policies of the Chamber of Commerce of the United States*, 1927.

In spite of these two influences which have been unfavorable to any marked changes in policy, there are certain attitudes, viewpoints, and ideals characteristic of the Federation today which were not present in the nineteenth century. These differences are difficult to discover and measure. They have to be sensed rather than reasoned out, as one leader in the movement expressed it.[11] But they are nevertheless real. We have already observed that the Federation arose out of the sense of insecurity prevailing among the workers in this country during the middle of the nineteenth century, a feeling of fear and dread, in consequence of which many forms of labor organizations were being created. The Federation was only one of several attempts to reach a solution of this problem and provide an agency through which the worker could benefit himself economically. As in the case of the Chamber, there were a few men who visualized the objective to be striven for, and who by their powers of leadership were able to bring others to their way of thinking and thus to carry out to a great extent the policies which they deemed wise.

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[11] Observation of Mr. Victor Olander, Secretary of the International Seamen's Union and the Illinois Federation of Labor.

The call for the Pittsburgh convention of 1881 contained an expression of the underlying purpose of the organization which, in its general outlines, has continued to dominate the policies of the Federation down to the present. This manifesto stated:

> We have numberless trades unions, trades assemblies or councils, Knights of Labor, and various other local, national, and international labor unions, all engaged in the noble task of elevating and improving the condition of the working classes. But great as has been the work done by these bodies, there is vastly more than can be done by a combination of all these organizations in a federation of trades and labor unions.[12]

The leaders of the movement, therefore, starting with a vision of a national and possibly an international organization federating the masses of workers along trade-union lines, have constantly been developing their objectives and adapting them to the accomplishment of this great purpose of "elevating and improving the condition of the working classes." What could and should be done at a particular time was usually a question of expediency, but the objectives, the basic ideals were always the same. To encourage the formation of trade and labor unions, to further their federation in larger national and international trade unions, to provide a medium through which they could mutually aid and assist one another, and to secure legislation in the interest of the working people; these have been the main objectives sought throughout the forty-six years of the Federation's history.

Labor's conception of its own welfare has consistently been interpreted in terms of higher wages, shorter hours of work, and better working conditions; for, as a recent report of the Executive Council states, "they are the keys to opportunities." But these more general aims have frequently been supplemented by the desire to obtain legislative and economic changes of special benefit to particular groups, or changes of more or less temporary interest. Many of the specific proposals of the Federation, though seemingly directed toward other ends, indicate upon closer analysis that they are ultimately seeking to serve these great purposes—higher wages, shorter hours, and improved conditions of employment. The work of the first convention in 1881 consisted very largely in the adoption of thirteen measures of a distinctly political character: favoring the compulsory education of children, the passage of uniform apprentice laws, the enforcement of the eight-hour rule, the restriction of contract prison labor, the abandonment of the store-order system of payment, the repeal of the conspiracy laws against labor unions, the establishment of a bureau of labor statistics, the continuance of the protective tariff, and others, most of which, either directly or indirectly, affected either wages or hours of work.[13]

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[12] P. J. McGuire, "The American Federation of Labor," in Trant, *Trade Unions*, p. 39.

It is impossible within the scope of this section to outline, even, the various measures of a political and economic character which the Federation has supported or opposed. They are almost legion, and the Federation today lays claim to more than two hundred laws on the statute books which are there because of the efforts of the organization.[14] The history of the progressive reduction of the hours of labor, from the fight for the eight-hour day down to the present demand for the five-day week, is but one evidence of the persistency with which the Federation has maintained its purpose to improve the conditions of the workers.[15]

With reference to its developing attitude toward the methods that should be pursued in bringing about these results, one may detect a slightly increasing emphasis upon political action and trade agreements. The steady improvement of working conditions generally in this country, the basically upward trend in business conditions since the early part of the twentieth century,[16] as well as the development of a more and more favorable attitude toward unions on the part of the public,[17] have made it possible to accomplish things through collective bargaining and legislation to an extent that was impossible during the early days of the Federation. This is not to imply that the Federation has changed its attitude toward the use of more drastic methods in certain cases, or that their lessened use indicates their weakening influence. The willingness to depend upon its own economic strength in fighting its battles with the employer has always been a feature of trade-union policy, resulting in the refusal to further any proposals that would lead to any governmental assistance or interference, except that of a mediator.

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[13] *Ibid.*, p. 40.

[14] See pamphlet published by the Federation, *Legislative Achievements*.

[15] See *History, Encyclopedia, Reference Book*, A. F. of L., Vol. I, 1919, pp. 455-58, for a summary of some of the results obtained.

[16] Of course, there have been distinct fluctuations in the curve of business prosperity, as, for example, about 1907 and 1920. But there can be little doubt that on the whole business conditions during the last two or three decades have resulted in an exceptionally widespreading prosperity over the country as a whole.

[17] Again the fact needs emphasis that opposition to trade-unionism from certain sections of the business world has been unusually acrimonious since the War. But it seems reasonably clear that at no time in its history has the Federation been accorded the favorable recognition that it has been receiving during the last decade, even by many sections of the employer's world.

From the beginning, the Federation has been active in securing legislative indorsement of its purposes. This, however, has never involved the organization support of a Labor party as such, or the permanent indorsement of any existing political party. Down to about 1906, organization pressure was applied directly to the party organizations and legislators, but little or no attempt was made to further the election of men favorable to trade-union policies and to defeat those who were opposed. In that year an important departure from the previous policy with respect to elections was instituted, and from that time to this the Federation has been active in furthering the candidacies of those in whom it had confidence.[18]

The World War left its imprint upon the characteristics of the Federation as upon those of the Chamber. Labor leaders were brought into closer association with employers and governmental officials than ever before. Under the auspices of the Federal Government labor men found themselves shoulder to shoulder with their opponents at various conferences, on various boards and commissions, as well as in the economic field. Both sides to the industrial conflict were represented on the War Labor Board, the Council of National Defense, and on sundry advisory committees.[19] These associations and contacts had an effect upon the attitude of labor and the policies of the Federation which can hardly be measured. It broadened their outlook in many cases. It gave them a new confidence in their approaches to governmental officials, and afforded them a new insight into the official viewpoint and the problems of government.[20]

What effect the War had upon the labor attitude toward the employer would be hard to state. It is probably not far wrong to express the view that such relations as did develop during that eventful period were not as cordial as some people may have hoped for. The conservative reactions in favor of the open shop, following the cessation of hostilities, doubtless did anything but allay the intensity of the industrial conflict. The War and the years that have followed have, if anything, strengthened the feeling of the worker's dependence upon the organized, federated efforts of his group, and have given the Federation leaders new power as well as a new appreciation of their economic and political strength. This has reacted and will inevitably continue to react in favor of increased legislative efforts and possibly legislative achievements. The legislative field has opened up new vistas that have served, at least, to change somewhat the relative emphasis upon economic and political methods.

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[18] The Federation brings its influence to bear in political primaries as well as in elections. See item from *New York Times*, Appendix C, which illustrates the procedure followed in a Presidential campaign.

[19] For a list of these see *History, Encyclopedia, Reference Book*, Vol. I, pp. 471-73.

[20] According to one labor official, the old adage that "familiarity breeds contempt" seems to have had a partial verification, as a result of labor and governmental intimacies during the War.

The accession to the Presidency of the Federation in 1924 of William Green, the first person other than Mr. Gompers to hold that office since 1894, has had its influence upon the aims of the organization, the extent of which will be appreciated by the rank and file only after the passage of many years. In the first place, it has given prominence to the views of what one labor leader has described as the "intelligentsia"—that group of technicians at the headquarters of the Federation recruited from the academic and more intellectually minded, rather than from the more "practical," fighting spirits of days past. Until the last few years of the Gompers administration, the staff was clearly under his personal domination and leadership, and affected only slightly the goals of federated endeavor. The advent of a new President naturally prolonged the influence of the technicians, especially during that period when the President was adapting himself to his new duties. This is not to say that the control functions of President and Executive Council have been usurped, but rather to call attention to the fact that President Green has been quick to recognize in the situation confronting him the need for education and for the services to be rendered by the "intellectuals." Accompanying the emphasis upon research and education has been the establishment of closer contacts with outside agencies, such as universities, the American Bar Association, and the Personnel Research Foundation. The publications of the Federation reflect this change. There are increasing numbers of studies of a distinctly research character, papers by prominent teachers and students, and discussions of problems that to the worker of twenty years ago would have appeared academic, to say the least. What is the significance of this change?[21]

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[21] Leading officials in the Federation sense these changes. Mr. Gompers himself came to realize before his death that the old order had changed and that new methods and new appeals would have to be made to the worker if the rank and file were to be kept intact. There are a number of individuals of the "old school" who still talk about the necessity for militancy and the fighting spirit, but the trend of opinion seems to be in the direction of strategy and away from militancy.

To some extent this development parallels that of the Chamber. Instead of attempting to interpret the desires of its constituency, the Federation seems to be entering the field of education, and seeking to enlighten the self-interest of the worker. Without attempting to destroy or interfere with the autonomy of its organized membership, the Federation is trying through this educative process to bring the labor mind not only to a state of greater wisdom in its own interest but also to a certain uniformity in attitude that will undoubtedly make for greater solidity and strength. Whether such researches and education will ultimately bring both the Chamber and the Federation to the same conception of the truth is a moot question. It may be that in the course of time much of the misunderstanding and conflict of interest that now appears will be destroyed.

In addition to the service functions which have developed rather extensively during the last few years, there has been a noticeable improvement in the technique of handling the jurisdictional disputes of the various member organizations.[22] To serve as mediator and conciliator in these disputes has always been one of the aims of the Federation. It has taken years, however, for it to develop the machinery, and such an attitude of mind on the part of the membership as to enable disputants to look with a feeling of confidence to the Federation as a medium through which to settle their disputes. Here within this group's jurisdiction one may witness the evolution of a new type of legal principles, the judicial crop of an industrial era which, along with the industrial common law that is developing under the direction of the Department of Labor out of disputes between employer and employee, may go far toward accomplishing in the industrial field what court decisions have done in the field of the Common Law. Here is a fruitful field of legal study and interpretation.

In its attitude toward other groups, there has always been a willingness to co-operate. For years after its establishment, the Federation made overtures to its most jealous rival, the Knights of Labor, and since that time has never hesitated to link its strength and influence with such agencies as would further the aims of Labor generally. Such attachments are usually dictated by expediency and exist solely for the purpose of accomplishing certain definite aims. While not going as far as the Chamber in this respect, the Federation undoubtedly frowns upon anything suggestive of a permanent alliance that would in any way interfere with its own freedom of action. In recent years the Federation has allied itself on different occasions with the various farmer organizations and the American Legion; and, in company with most organized groups, displays a willingness to co-operate with any group to the extent that, and for as long as, it seems to be expedient.[23]

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[22] Mr. Green "has done a most extraordinarily successful piece of work in adjusting jurisdictional disputes that had arisen between craft organizations, some of them of more than twenty-five years standing having been cleared off until now there is only one major jurisdiction dispute left—that between the Flint Glass Workers and the Machinists." Statement of Miss Florence C. Thorne.

This rather cursory review of some of the more important objectives of the Federation and the Chamber has failed, as was inevitable, to indicate the numerous policies of a particular nature that the organizations have sponsored from time to time. Trade-unionism has been a growth, a growth in objectives as well as in activities. But on the whole the development of objectives has been an evolution rather in emphasis than in principles. There have been alterations in the methods of applying the principles, to be sure, and a substantial change and expansion in the absolute content of particular measures sponsored. But, except for these developments, and what appears to an increasing use of the legislative weapons and the educative methods, there seem to be very few real changes in fundamentals of purpose and aim. The same is not so true of the Chamber, for here we have an organization which has been constantly changing the emphasis upon its several objectives. And yet even here we find a certain continuity underlying the fundamental objectives of the group agency.

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[23] For a summary of policies established by the Federation see *Legislative Achievements of the American Federation of Labor*, published by that organization.

II. REPRESENTATIVE CHARACTER OF GROUP AGENCY

Chapter IV

MEMBERSHIP: NATURE AND NUMBERS

1. Nature of Group Membership

In discussing the unfolding of group characteristics, no effort was made to differentiate between the group as a whole and the organization acting for the group. It is as important, however, to make this distinction as it is to distinguish a state from the government of the state, and in this chapter an effort will be made to distinguish the Chamber and the Federation from the economic groupings they profess to represent. By so doing it should be possible to discover the extent to which each of the organizations represents numerically a given group constituency. In a sense, the group agency acts solely and exclusively for its own membership, and any attempt to consider a fringe of individuals outside that membership may seem invalid. But to think of groups in modern social and economic life solely in terms of organized memberships is to lay undue stress upon one phase of group life. At practically all times there exist around the fringe of any group organization individuals and organizations having much the same interests, inspired by the same objectives, potentially organizable, whose only basic difference lies in their unwillingness, possibly their technical inability, to become members of the organization.

We may start then with a definition of an economic or social group in terms of the organized agency which presumes to represent it.[1] Such a group comprises all the individuals, organizations, or units which, by reason of their conception of social, economic, political, or other ideals, by reason of their age or financial condition, or by reason of their geographical location, are eligible to membership in the group agency. This definition emphasizes the fact that the varieties of social groupings at any time are almost legion, and suggests the impractibility of considering groups that are not in whole or in part organized. It is the presence of organized objectives, members, and control that gives to the group as a whole its reality. It is futile, for the purposes of this chapter, to attempt to delimit an economic group that has no focal point in the form of organized characteristics. We shall start, therefore, with group characteristics as revealed in our previous survey of Chamber and Federation history, and seek to measure the extent of that fringe which we may call the potential membership of the two organizations.

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[1] The writer is aware that, in defining an economic group in terms of the organized agency which it includes, he is virtually excluding from consideration social groupings within which there is no organized nucleus. For some purposes it may be desirable to define groups in terms broad enough to include such unorganized groupings. But this does not seem to be practical in the present case. Of course, an organized nucleus is only one characteristic of a group, but it is conceived to be a fundamental one.

One question that naturally arises at the outset is, of what use is it to to go outside the actual membership of a group agency and attempt to determine the potential membership? From the point of view of the agency itself, such a study is of value in that it enables the leaders of the agency to appraise the success of their efforts at recruitment. It indicates to them the proportionate amount of stress that may be laid upon further increasing the membership. It is an indication of the probable permanence and stability of the agency, as well as the likelihood of the appearance of other agencies within the group challenging the position and claims of the given organization.

From the point of view of other groups and their organizations, information as to the jurisdictional areas claimed, as well as those actually possessed, may prevent futile efforts at recruiting a membership from areas outside a proper scope. It will minimize jurisdictional disputes and further the growth of pacific relations between groups. Moreover, the attempt to make a careful determination of the size of potential membership in a group agency should be of considerable assistance to the officers of the state, both legislative and administrative, in determining the authoritative and representative character of the policies and opinions sponsored by the unofficial agency. Furthermore, the government of the state, in setting up advisory committees, as it frequently does, for its administrative boards and departments, and in apportioning governmental functions or quasi-governmental functions upon a group agency, must of necessity determine the proper jurisdictional area of the group and the extent to which the given agency exercises control over that area. So we have here an important task —a task, curiously enough, upon which many European countries have spent a considerable amount of time, but one that has but recently commanded the attention of students in this country.[2]

2. NUMERICAL STRENGTH OF THE CHAMBER

It is obviously axiomatic that the potential membership of a group agency is determined by the requirements for membership in the agency. What then are the requirements for membership in the Chamber and in the Federation? In referring to membership in the Chamber, there are several different types of membership to be considered. In the first place, there are *organization members*, of which there are three classes: business and industrial associations organized on a geographical basis, such as city and state chambers of commerce; trade associations, state, interstate, or national in scope; and special-purpose bodies elected by three-fourths vote of the members of the Board of Directors. Secondly, there are the *individual and associate members* comprising persons, firms, and corporations, members in good standing of any organization member. And, finally, there is what is referred to as the *underlying membership*, which means the sum total of individuals represented by the organization, individual, and associate memberships.

The total number of organization members in the Chamber at any time depends upon the following factors: (1) the number of business and industrial associations of the three classes enumerated which are not organized principally for private purposes; (2) the attitude of the Board of Directors relative to the eligibility of such associations for membership. The Board is the judge of the qualifications of all applicants for membership, and no association may be admitted except by a vote of the Board.[3] In the case of special-purpose organizations, a three-fourths vote of the board is required.[4] These organization member requirements set the limit, therefore, to the potential organization membership of the Chamber. But there are a few practical considerations that limit still further this potential organization membership. In the first place, chambers of commerce in cities with a population of less than 5,000 are seldom solicited by division or district secretaries for membership in the Chamber. It is felt that the costs of obtaining and serving such members are hardly compensated for by their contributions to the work of the organization. Of course, there is no legal restriction deterring these small chambers and associations from becoming members, but there is little likelihood, from a practical standpoint, of their joining in large numbers. In a certain sense, they are within the fringe of total group membership but not potentially organizable.

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[2] An interesting study could be made of the progress realized in such countries as Germany, Italy, France, Russia, and even England, in defining the jurisdictional areas of those groups of a social and economic character upon whom are devolved certain functions of a quasi-political character. For example, the Italian law of April 3, 1926, relative to *La Reglementation Juridique Des Rapports Collectifs de Travail* contains the following provision:

> Art. 1er—Peuvent etre legalement reconnues les associations syndicales de patrons et de travailleurs, intellectuels et manuels, lorsqu'elles fournissent la preuve que les conditions suivantes sont remplies par elles:
>
> — s'il s'agit d'associations patronales, que les patrons qui y sont inscrits, par adhesion voluntaire, emploient au moins *le dixieme* des ouvriers travaillant dans les entreprises de l'espece pour laquelle l'association est constituee et se trouvant dans la circonscription ou l'association opere; et s'il s'agit d'associations de travailleurs, que les travailleurs qui y sont inscrits, par adhesion voluntaire, representent au moins *le dixieme* des travailleurs de la categorie pour laquelle l'association est constituee, se trouvant dans la circonscription on l'association opere;
>
> Confederazione Generale Fascista dell' Industrie Italiana, *La Reforme Syndicale en Italie*, Rome, 1926, p. 9.
>
> It would be instructive to know the method employed in fixing the tenth of the members in any group or category.

In the second place, there are practical limits upon indefinite increases of organization membership from within the class of so-called trade associations other than those mentioned in the By-Laws. Many of these trade associations are quite definitely "special purpose" organizations, existing for a definite end, which, if attained, will result in the dissolution of the association. Such associations would normally be excluded from membership in the Chamber. Many other trade bodies have aims or employ methods that would likewise exclude them from consideration. Experience of the Chamber in recruiting member organizations has shown the extreme difficulty of obtaining trade associations as members, because of their scattered membership, the characteristic emphasis of such bodies upon secrecy, and their preference for employing self-help in the accomplishment of their purposes. It is interesting to note that at the present time little effort is being made to increase the number of organization members in the Chamber, partly because of the fact that most of the important organizations eligible to membership are held to be in the Chamber, and partly because of the preference for individual and associate memberships. It is felt that complete reliance upon organization membership would be a source of weakness. It would tend to make the Chamber dependent upon these organizations, the financial condition of which is not always the best, and would tend to impair the strength of the Chamber in times of depression when many of these organizations disband or are forced to reduce their financial outlays. All of these considerations exercise a definite check upon the expansion of the organization membership and limit the full and complete incorporation of what would seem to be the potential membership within the Chamber organization. Table VI is an attempt to list some of the limiting factors.

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[3] By-Laws, 1929, Art. XII, Sec. 5.

[4] *Ibid.*, Art. II, Sec. 1.

TABLE VI

SOME FACTORS LIMITING THE EXPANSION OF ORGANIZATION MEMBERSHIP

A. Inclusive limit to organization membership
  1. All business and industrial associations in the United States.

B. Limitations imposed by the Chamber By-Laws
  1. Organization must be principally for other than private purposes.
  2. Geographical organizations must be chiefly interested in developing the business interests of a given area.
  3. Trade organizations must have their membership confined to one trade or group of trades.
  4. All organizations must receive the affirmative vote of the Board of Directors.
  5. Some organizations must receive three-fourths vote of the Board of directors.

C. Some limitations imposed in practice
  1. Organizations in cities under 5,000 will not as a rule be solicited.
  2. In some cases organizations will be excluded because of their purpose.
  3. Organizations not in a financial position to pay their dues are excluded from consideration.
  4. In some cases organizations only a few years old will not be considered.
  5. Trade associations by reason of their scattered membership are difficult to solicit.

The inclusive limit to the number of *individual* and *associate* members in the Chamber is set by that provision of the By-Laws which states that only persons, firms, and corporations that are members in good standing of organizations admitted to membership in the Chamber shall be eligible for election as individual or associate members. It is clear, therefore, that any increase in the number of such members can have no effect upon the number of individuals represented by the organization membership of the Chamber. Individual and associate members are, therefore, merely a certain portion of the individuals represented by the organization membership, who are elected to such memberships and pay annual dues of a certain stated amount. The By-Laws of the Chamber further provide that the delegates present at any annual convention may by majority vote fix a limit to the number of such members. As we have already observed in another connection, the Chamber is at present devoting most of its energies toward increasing the number of these individual and associate members because of the financial strength to be gained in that way. Such memberships do not affect the representative character of the Chamber as a whole but do affect materially the annual income of the organization. In the last few years, the number of such memberships has increased markedly and at the present time accounts in large part for the financial power of the Chamber.

In addition to the above-mentioned limits fixed by the By-Laws to the number of individual and associate members, there are certain practical limits to an indefinite increase in such memberships. It should be borne in mind that these individual and associate members are not, as a rule, individuals but firms; and district secretaries in soliciting such memberships seldom pay much attention to particular individuals. In the Northern Central division, for example, the division secretary usually makes up his list of potential firms from Dunn's ratings, and considers only those firms that have credit rating of at least $50,000. But firms are eligible for these memberships only if their business and professional interests are such as to meet the approval of the Board of Directors. This practice of dealing with firms as such rather than with individuals is to be distinguished from the procedure in most local chambers of commerce. In the case of the latter, several members of a single firm may be regarded as separate members of the chamber; whereas, in the case of the Chamber of Commerce of the United States, they would be regarded as one. There appears to be no fixed limit to the annual dues that associate and individual members may pay, although in attempting to arrive at an equitable figure, a sliding scale is applied, usually based upon annual income. It should be added, perhaps, that while theoretically there is a distinction to be made between individual and associate memberships, in practice about the only difference is the amount of dues paid.

By *underlying membership* is meant the sum total of individuals covered by the organization members of the Chamber; in other words, the total number of individuals represented by the Chamber of Commerce of the United States. It is practically impossible to arrive at an accurate determination of the number of such individuals because of the duplication necessarily involved in adding together the individuals of local, state, territorial, and trade bodies. A particular individual may well be a member of his local chamber of commerce, a state chamber, and also one or more trade associations, all of which are organization members. The only way in which it would be possible to discover the exact number of persons represented in the Chamber would be to determine the extent of such duplications and take account of them in compiling the sum total of members in all the organization members. It is clear that such a task would be practically impossible.

In view of the obvious difficulties involved in any attempt to arrive at an exact ratio between Chamber membership and potential membership, it might be regarded as futile to attempt a statistical interpretation of the situation. It may be enlightening, however, to go as far as we can with statistics, and then indicate the limitations to such figures in the light of what we have thus far stated in this chapter. In the first place, what is the ratio between the number of organization members of the Chamber and the total number of commercial organizations in the country? A list of commercial and industrial organizations of the United States, exclusive of governmental, educational, professional, civic, agricultural, and religious organizations, compiled by the Department of Commerce in 1926, shows that there are approximately 8,778 such organizations, made up of 1,199 interstate, national, and international, 1,130 state, and 6,449 local organizations.[5] The Board of Directors of the Chamber, in their report to the 1927 meeting, recorded an organization membership of 1,516.[6] In other words, the Chamber had 17 per cent of the potential organization membership.[7] This percentage of "potential" organization membership takes no account of the several limitations imposed by the Chamber By-Laws and the practice of the officers of the organization of which we have already made mention. Undoubtedly there are a very large number of trade associations listed by the Department of Commerce that would not be eligible to membership in the Chamber. To a lesser degree, the same might be said of local chambers and other territorial organizations. Moreover, the Department of Commerce figures take no account of chambers of commerce and other organizations in foreign countries and outside the territorial limits of the United States that might be eligible to membership in the Chamber. While this number would not be large, mention should be made of it for the reason that the Chamber includes within its list of member organizations some thirty-five such members outside the United States.[8] As a very rough estimate of the ratio of present to potential organization strength, the figures as given may have some value. Further refinements could be made, if at all, after a thorough consideration of each of the organizations outside the Chamber membership listed by the Department of Commerce.

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[5] Department of Commerce, Bureau of Foreign and Domestic Commerce, Domestic Commerce Series, No. 5, *Commercial and Industrial Organizations of the United States*, 1926, p. iv.

[6] *Fifteenth Annual Report, Board of Directors*, 1927, p. 34.

[7] Extreme caution must be used in interpreting this statement. The word potential is used in a theoretical rather than a practical sense, as will be seen from what follows. The figures used are the best available, but have to be used with all the qualifications mentioned.

It is even more out of the question to attempt to determine the ratio of actual to potential associate and individual members. The Board of Directors, in the report above referred to, stated that there were 18,012 such members in 1927. Theoretically, it might be possible to determine the number of firms and individuals now members in good standing of organization members, and members of potential organization members, and from these two lists estimate the number eligible for individual and associate membership. Such a task would hardly be practicable. It would seem more worth while to determine the relation between the actual number of associate and individual members and the number of firms listed in Dunn's with a rating over $50,000. This would have little significance except to indicate a goal toward which the field secretaries should strive, providing such firms are members of organizations in the Chamber.

There does, however, seem to be value in an attempt to discover if possible the distribution by states, not only of the organization members of the Chamber, but also of the individuals covered by such organizations. By comparing these figures with the population figures for the states, with the membership of all commercial organizations in the states, and with the figures for commercial organizations in the states, it is possible to obtain a very significant impression of the economic, social, and political strength throughout the country of the Chamber as it exists today. Such a set of comparisons is made possible by reason of the Department of Commerce publication to which reference has been made, which classifies commercial and industrial organizations under three heads; (*a*) interstate, national, and international, (*b*) state, and (*c*) local. By taking only the state and local organizations, it is possible to obtain a fairly good idea of the number of commercial organizations in a state and the membership covered by such organizations, which probably gives as good an indication as we can get of the commercial population of the state. Of course, this leaves out of consideration the national and interstate trade associations. This is not as serious an omission as might first appear. Most of the individual members of such associations are probably members of some local or state body, and to include them would result in an extraordinary amount of duplication. There will be some duplication at best, in view of the fact that some persons will be members of both local and state organizations. But there is no reason for increasing the amount of this duplication. Furthermore, it would be out of the question to attempt to discover the geographical distribution of the members of such national trade associations by states. This could be done by examining the membership of each such trade association, but this is impracticable. Our task, therefore, will be to compute the number of state commercial organizations, the membership covered by such organizations, and compare these figures with the number of Chamber organizations in each state, and the individuals covered by such organizations. Significant comparisons may also be made with the populations of the states. Allowing for some duplication so far as individuals are concerned, and bearing in mind that the Department of Commerce figures include many organizations which would perhaps not be eligible to membership in the Chamber, we can get some idea of the influence of the Chamber in the different states, and the ratio between its actual and its potential strength. Table VII gives the results of such a computation.[9] The strict accuracy of some of the data may be questioned, but it is submitted that the information presented gives not only the best

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[8] Chamber of Commerce of the United States, *Organization Members*, 1927, pp. 95-98.

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[9] The figures used in this table are based upon information contained in a publication of the Chamber entitled, *Organization Members*, 1927, and a publication of the Department of Commerce entitled, *Commercial and Industrial Organizations of the United States*, 1926. The latter contains a detailed list of the names, location, and membership of the various commercial organizations in the United States and is revised from time to time.

TABLE VII

CHAMBER MEMBERSHIP AND POPULATION RATIOS, 1927

States by Districts	Commercial Organizations	Chamber Organizations	Population	Commercial Population	Chamber Membership	Ratio to Pop.	Ratio to Com. Pop.
Me.	69	9	790,053	12,461	3,038	.0038	.24
N. H. ...	39	9	453,608	3,995	2,442	.0053	.61
Vt.	39	8	352,428	4,590	2,121	.0060	.46
Mass. ...	230	53	4,197,288	61,966	25,400	.0060	.40
R. I.	41	3	692,794	9,899	3,300	.0047	.33
Conn. ...	126	23	1,606,491	29,036	9,975	.0060	.33
N. Y.....	585	217	11,303,296	214,056	50,710	.0040	.23
N. J.	183	41	3,680,482	35,216	15,065	.0040	.42
Pa.	512	114	9,613,570	218,663	48,380	.0050	.22
Del.	10	4	240,274	1,805	1,495	.0062	.82
Md.	61	20	1,580,268	5,418	4,311	.0027	.79
Dist. Col.	20	3	527,880	6,175	4,142	.0078	.67
Va.	112	27	2,518,589	26,238	8,344	.0033	.31
W. Va. ..	75	14	1,669,324	10,725	4,548	.0027	.42
N. C. ...	115	31	2,857,846	39,246	10,176	.0035	.25
S. C. ...	56	8	1,826,021	28,525	4,293	.0023	.15
Ga.	114	13	3,138,962	69,507	9,046	.0028	.13
Fla.	169	43	1,317,160	55,728	22,755	.0172	.40
Ala.	73	7	2,526,001	13,344	4,665	.0018	.34
Miss.	58	12	1,790,618	18,386	8,620	.0048	.47
La.	99	16	1,918,591	23,378	9,786	.0051	.41
Texas ...	364	30	5,312,661	77,736	15,724	.0029	.20
Ky.	102	13	2,524,210	18,682	4,734	.0018	.25
Tenn. ...	109	18	2,467,679	30,156	9,713	.0039	.32
Mo.	248	51	3,498,143	58,730	18,246	.0052	.31
Ark.	73	10	1,903,048	27,709	5,310	.0027	.19
Kan.	244	31	1,820,896	42,756	10,533	.0057	.24
Okla. ...	180	28	2,342,474	90,690	13,352	.0056	.14
Ohio	398	83	6,600,146	99,451	39,225	.0059	.39
Mich. ...	273	53	4,395,651	69,440	24,508	.0055	.35
Ind.	206	40	3,124,499	50,835	20,600	.0065	.40
Ill.	376	135	7,202,983	187,178	31,505	.0043	.16
Wis.	201	25	2,884,734	49,735	9,163	.0031	.18
Minn. ...	214	20	2,651,306	69,792	13,663	.0051	.19
Iowa	205	21	2,422,915	40,545	11,639	.0048	.28
N. D. ...	146	8	641,192	6,799	2,350	.0036	.34
S. D.	70	8	689,346	12,912	2,173	.0031	.16
Nebr.	151	18	1,384,703	22,377	8,866	.0064	.39
Mont. ...	58	10	699,965	18,232	2,542	.0036	.13
Idaho ...	52	12	522,175	7,153	1,771	.0033	.24
Wyo. ...	23	5	235,689	3,993	1,870	.0079	.46
Colo.	116	15	1,058,722	23,320	7,907	.0074	.33
Utah	42	7	513,711	8,816	5,921	.0115	.67
Nev.	12	2	77,407	974	470	.0061	.48
N. M. ...	28	7	388,146	3,397	805	.0021	.23
Ariz.	35	12	444,708	11,098	9,315	.0209	.83
Wash. ...	269	18	1,538,228	45,034	12,353	.0080	.27
Oreg. ...	111	17	877,477	21,967	8,242	.0093	.37
Calif. ...	664	82	4,316,459	233,534	58,150	.0074	.24

statistical measure of Chamber strength that it is possible to obtain at the present time but also emphasizes significant difficulties connected with the presentation of similar data for any group organization.

Considering first the ratio of Chamber population to commercial population, it is to be observed that for the great majority of the states this ratio falls somewhere between 16 and 50 per cent. Those with higher ratios—Utah, Arizona, Delaware, Maryland, and New Hampshire—are all states with a small population; and those with lower ratios—South Carolina, Georgia, Montana, and Oklahoma—are states widely distributed, and generally regarded as other than industrial. Of the remaining thirty-nine states, it may be fairly said that those with higher ratios show no greater tendency toward geographical concentration than those with lower ratios. In fact, in terms of ratios of Chamber to commercial population, the figures evidence a noticeably well distributed strength of the Chamber over the country. It may be a cause for wonderment that such states as New York, Pennsylvania, Illinois, and California do not show a higher percentage for the Chamber. The absolute strength of the Chamber in these states is great. But it must be remembered that in these industrial localities the number of commercial organizations is very large, and there are a number of state trade associations, organized in many cases to combat labor or for other private reasons, that would not be eligible to membership in the Chamber. Thinking of the group which the Chamber undertakes to represent in terms of potential membership, it seems clear that the Chamber is in a position to speak, so far as its membership is concerned, in a manner fairly representative of the group. It would be a simple matter for the Chamber to fulfil the requirements of the Italian law, for example, which requires an organization purporting to speak for a category to have within its membership at least 10 per cent of that category. In no state does the Chamber membership fall that low, and the average is far above that figure.

Turning now to a consideration of the relation of Chamber population to total population in the different states, it will be observed that on the whole the Chamber is weaker in the southern tier of states than in other parts of the country, with the exception of two states in the northwest, Idaho and South Dakota. This situation might well be anticipated, in view of the fact that the commercial population in those states is on the whole less than in other parts of the country. In the northeastern section of the country, the Middle West, and the Far

West, where the proportion of people engaged in commerce is relatively large, one would naturally expect to find a larger percentage of the population in the Chamber than elsewhere. There are some states, however, where this explanation does not seem to satisfy. There are Florida and Arizona with a relatively large proportion of the population in the Chamber; and mention might also be made of Utah, Wyoming, and Colorado. Of course, the situation in these states may be due to one or more of a number of factors—the activity of field officers, the interests of the population, or the large proportion of existing organizations in those states. In fact, a full explanation of all these ratios would require a detailed analysis of the situation in each state. It is to be remembered, however, that the populations of these states are not comparatively large, and actual Chamber membership, though small, consequently figures outstandingly in computing ratios. In proportion to population, therefore, we see the Chamber's strength extending from the far northeast to the Pacific, growing in strength as it proceeds westward, but weakening as it goes south of the Ohio River or spreads up into the far Northwest. An interesting study of this spread of strength in relation to the industrial life of the day could be made, but such a study would be outside the scope of this chapter.

3. NUMERICAL STRENGTH OF THE FEDERATION

Membership in the American Federation of Labor comprises four types or classes of unions: National, International, Local Trade, and Federal Labor Unions. These four types of unions are directly affiliated with the Federation, and in a certain sense it may be said that the Federation *is* the federation of these trade unions. For organizational and administrative purposes, city central bodies exist to which local unions belong. Likewise state federations are set up for the purposes of organizing Federation interests in the states. But the four classes of unions mentioned above will include the sum total of individuals "covered" by the Federation. The membership in these geographically organized bodies, city centrals and state federations, merely duplicates the membership in the unions mentioned.

National and international unions, of which there were 106 in 1927, include the bulk of the members of the Federation. Most of these are international unions in the sense that they have some members in Canada and Mexico, although there are some unions with membership solely in the United States. These two types of unions comprise organizations differing somewhat in their composition, but in general include workers organized along trade or industrial lines scattered throughout the country. Matthew Woll has described them as follows:

> The international trade unions comprising the membership of the American Federation of Labor are founded on no preconceived or prescribed method or form of organization. The method and form of organization are largely a matter of development. The free play of economic forces and industrial tendencies largely influences the form and method of organization. Some of the international unions are founded upon strictly trade or craft lines, while others embrace, to a greater or less degree, all wage-earners within a given industry, regardless of trade or craft lines.

The other two types of unions directly affiliated with the Federation are the local trade and federal labor unions. When there is an insufficient number of workers in a particular trade or calling for the organization of a successful national or international union, the Federation undertakes to organize such workers into either a local trade or a federal labor union. The main difference between these smaller affiliated bodies is that the local trade unions usually comprise only workers in a particular trade, while the federal labor union may be made up of workers in different trades. With respect to the latter, the constitution provides that:

> Seven wage-earners of good character, following any trade or calling, who are favorable to Trade Unions, whose trade or calling is not organized, and are not members of any body affiliated with this Federation, who will subscribe to this constitution, shall have the power to form a local body to be known as a "federal labor union."

The following table gives the figures for the various classes of membership in 1927:

AVERAGE MEMBERSHIP AMERICAN FEDERATION OF LABOR FOR THE FISCAL YEAR 1927

National and International Unions	106
Local Trade and Federal Labor Unions	365
Total number of local unions	29,394
Average membership covered	2,812,526

Our second inquiry calls for a determination of the potential membership of the Federation. Potential membership is an inadequate phrase and as stated above seems to have significance only when one thinks of potential members as those eligible to membership in the group agency but not affiliated with it at a given time. Strictly speaking, therefore, potential membership in the Federation may be thought of only in terms of such organized trade unions, and the membership covered by them, as are eligible to affiliation in the Federation at a particular time.

Several studies of the extent of trade unionism have been made in recent years and no attempt will be made to do more than summarize some of these findings.[10] It is not always easy to determine just what organizations of workers shall be included in a list of trade unions. Dr. Wolman has stated:

> In the United States, as elsewhere, there is a substantial number of organizations, composed exclusively of workmen, which more or less closely resemble the trade union both in structure and function. . . . Such associations as company unions and works councils, which are not affiliated with existing labor organizations, are commonly and widely regarded as different from the trade union for a variety of reasons which need not be the subject of inquiry here. This prevailing view is accepted as the basis of choice and under it all company unions are excluded from the present study.[11]

In considering Dr. Wolman's figures, it should also be remembered that independent local unions and a few national unions which refuse to publish their memberships were omitted and led to a slight underestimate in total membership.[12] Dr. Wolman's figures are the most accurate that we now have, however, and according to them there were 5,110,800 members in American trade unions in 1920, covered by some 133 national and international unions.[13] At the same time the Federation membership included 110 national and international unions, with a membership of 4,078,740.[14] In other words, the Federation comprised 82 per cent of the American trade unions, and 79 per cent of their membership. To what extent is it correct to say that these figures represent the potential strength of the Federation? Dr. Wolman states that unions independent of the Federation are of two types: first, those like the railroad brotherhoods, whose jurisdictional claims do not overlap those of organizations affiliated with the Federation, and, secondly, those which do challenge the jurisdiction of affiliated unions, such as the Amalgamated Clothing Workers.[15] It is not easy to determine precisely the number of unions and members of such unions that are now outside the Federation but may fairly be regarded as eligible to membership. Under present conditions, with attitudes such as they are, it is probably correct to say that most of the unaffiliated unions are not potential members in the sense that they will likely join the Federation. But such attitudes are subject to change in relatively short periods, and it may be not far from right to regard these independent unions as likely prospects. There seem to be no constitutional requirements that would prove insurmountable bars to affiliation, except in the case of those who continue to insist on their present jurisdictional prerogatives. The constitution of the Federation provides that no charter shall be granted to any union without a clear and positive definition of the trade jurisdiction claimed by the applicant, and the charter shall not be granted in case of a trespass on the jurisdiction of an affiliated union without that union's consent.[16] Of course, a union would not be eligible if it was unable to pay its dues, but few of the unions included within the figures cited above would prove ineligible on that account. Certificates of affiliation, it might be added, are granted by the President only with the consent of the Executive Council.[17] The basic reason for the non-affiliation of existing unions with the Federation seems to lie in the fact that for various practical reasons they do not wish to belong to the organization, rather than in the fact of their ineligibility.

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[10] In addition to Dr. Wolman's study, *The Growth of American Trade Unions*, 1880-1923, see G. E. Barnett, "Growth of Labor Organization in the United States, 1897-1914," *Q. J. E.*, Vol. XXX, Aug. 1916; "The Present Position of American Trade Unionism," *Am. Econ. Rev.*, Supplement, Vol. XII, No. 1, March, 1922; Leo Wolman, "The Extent of Labor Organization in the United States in 1910," *Q. J. E.*, Vol. XXX, May, 1916; "The Extent of Trade Unionism," *Annals of the American Academy*, January, 1917.

[11] Leo Wolman, *The Growth of American Trade Unions*, Bureau of Economic Research, pp. 20-21.

[12] *Ibid*, p. 27.

[13] The figures for 1920 are taken because of their comparability with the census figures for that date.

[14] Both the figures for the total trade-union membership and the Federation membership include both national and international unions. For that reason the figures as given for membership in the unions are not confined to the United States proper. Dr. Wolman estimates the total number of trade-union members in the United States proper at 4,881,200 but there do not appear to be comparable figures for the Federation.

Most of the membership in the Federation is comprised within the national and international unions, and the figures referred to above relate solely to such unions. When we come to the federal labor and local trade unions, the question may well arise as to whether existing trade unions and their members really include what may fairly be regarded as the potential membership of the Federation. The number of federal trade, and local labor unions in the Federation depends not so much on the number of unions of similar character outside the organization as upon the number of wage-earners that are potentially organizable in such unions. This fact, together with the fact that member unions of an international and national character within the Federation are continually recruiting new members from the general ranks of wage-earners, raises the question as to whether the total number of wage-earners would not be a better limit to set for potential membership than the total number of trade-union members in the United States. Inasmuch as the federal trade and local labor unions constitute important intakes to the Federation and also furnish the units out of which new national and international unions are created, it may be well to note briefly the requirements for their organization as laid down in the constitution of the Federation.

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[15] Wolman, *op. cit.* p. 27.

[16] See Constitution of the A. F. of L., Art. IX, Sec. 11.

[17] *Ibid.*, Art. XIV, Sec. 1.

The constitution provides that federal labor unions may be formed only by a minimum of seven wage-earners of good character, favorable to trade unions, whose trade or calling is not organized, who are not members of any body affiliated with the Federation, and who will subscribe to the constitution. Whenever such a group applies for a certificate of affiliation, it must be indorsed by the nearest local or national trade union, and will ordinarily not be granted if there are more than two other similar organizations in the given locality. In a sense, therefore, the potential membership of the Federation in terms of individuals includes all wage-earners who are eligible to join such unions, or are eligible to join affiliated national or international unions.

As Dr. Wolman has indicated, it is not an easy thing to obtain figures for the number of wage-earners in this country at a given time, and refine them in such a way as to present numbers that will accurately show the number of potential trade-union members in the United States. In his chapter on the "Working Population in the United States," Dr. Wolman starts with the 1920 census figures for persons 10 years of age and over engaged in gainful occupations; recasts them into a threefold classification of employers and self-employed, salaried persons, and wage-earners; and estimates that the total number of manual and clerical workers in the last class in 1920 was 26,080,689. This figure must be accepted with great caution, as Dr. Wolman states. In recasting and reclassifying, many arbitrary decisions had to be made, and, at best, census figures of numbers gainfully employed have many shortcomings. No one would maintain that such a figure was strictly accurate, but it represents the best estimation of the number of wage-earners in the United States that statisticians are able to compile with the data at hand. It may be well to present in the following table the several divisions of workers which this figure includes.

NUMBER OF WAGE-EARNERS IN THE UNITED STATES IN 1920 BY OCCUPATIONS

Extraction of Minerals	1,018,967
Manufacturing Industries	8,775,543
Transportation	2,962,614
Building Trades	2,397,391
Stationary Engineers	242,096
Stationary Firemen	143,875
Trade	1,937,600
Professional Service	148,267
Domestic and Personal Service	2,902,955
Clerical Workers	2,950,769
Agriculture	2,600,612
Total	26,080,689

To what extent does this total number of wage-earners really represent persons eligible to membership in the Federation by way of membership in existing unions, or in federal labor and local trade unions yet to be formed? In the first place, it is to be observed that this figure of 26,080,689 includes agricultural employees whom trade unions make but little effort to organize, and other groups like clerical workers who have not joined the trade-union movement in any large numbers as yet. Trade unions also limit their membership in different ways; excluding persons of certain ages, insisting on certain minimum skills, and imposing other requirements. Undoubtedly if such refinements as are implied in these limitations could be made to the figure as given, it would have far more value for the purpose at hand. But Dr. Wolman has despaired of making such refinements, and it is very doubtful whether such an attempt would be worth while. Accepting this figure as it stands, about all that can be said with certainty is that the membership in the Federation in 1920 was 15 per cent of that figure.

In his study Dr. Wolman undertook to go a little farther than a mere comparison of total trade-union figures and the figures for total number of wage-earners. He undertook also to compute the percentage of the wage-earners in the major and minor divisions of industry who held union membership. Surmounting the number of technical difficulties involved in making the census classification of wage-earners and the classification of trade-union members, he obtained a table which has some interest. It shows that in 1920 the several divisions of industry were organized according to the following percentages:

Extraction of Minerals	41.0 per cent
Transportation	37.3 per cent
Building Trades	25.5 per cent
Manufacturing Industries	23.2 per cent
Stationary Firemen	19.9 per cent
Stationary Engineers	12.4 per cent
Clerical Occupations	8.3 per cent
Public Service	7.3 per cent
Professional Service	5.4 per cent
Domestic and Personal Service	3.8 per cent
Trade	1.1 per cent

These figures do not give, of course, any indication of the extent of Federation membership in these several divisions of industry, except that they indicate the outside limit of such occupational affiliation. The question might arise as to whether or not it would be desirable and practicable to attempt to compare Federation membership in the several industries in which it is represented with the total number of wage-earners for those industries. Dr. Wolman's study has shown quite clearly the difficulties in the problem of so classifying census figures, or any others for that matter, as to make them comparable with membership statistics of the Federation. The jurisdictions of the several national and international unions within the Federation are often hard if not impossible to determine, to say nothing of finding figures for total wage-earners in such a classification with which to compare them.

Of even greater significance in measuring the strength of the Federation, from a political and social standpoint, would be data showing the geographical distribution of the membership as well as the geographical distribution of the potential membership. The nearest approach to such figures that the writer was able to secure are those in the accompanying table, showing the distribution, by states, of the membership of seventy-five national and international unions, within the American Federation of Labor.[18] These figures, which were secured

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[18] These data were supplied the writer by one of the officers of the Federation who made a study of this matter on his own initiative. He commented on the difficulty of

TABLE VIII

Population, Chamber Membership, and Membership of Seventy-five A. F. of L. Unions, 1927

STATES BY DISTRICTS	POPULATION	A. F. OF L. MEMBERSHIP	CHAMBER MEMBERSHIP
Me.	790,053	10,225	3,038
N. H.	453,608	6,388	2,442
Vt.	352,428	4,153	2,121
Mass.	4,197,288	118,763	25,400
R. I.	692,794	9,338	3,300
Conn.	1,606,491	25,717	9,975
N. Y.	11,303,296	388,756	50,710
N. J.	3,680,482	91,106	15,065
Pa.	9,613,570	124,104	48,380
Del.	240,274	2,380	1,495
Md.	1,580,268	16,952	4,311
Dist. Col.	527,880	32,305	4,142
Va.	2,518,589	12,788	8,344
W. Va.	1,669,324	15,143	4,948
N. C.	2,857,846	7,671	10,176
S. C.	1,826,021	3,210	4,293
Ga.	3,138,962	10,582	9,046
Fla.	1,317,160	39,274	22,755
Ala.	2,526,001	9,215	4,665
Miss.	1,790,618	4,016	8,620
La.	1,918,591	12,200	9,786
Texas	5,312,661	36,959	15,724
Ky.	2,524,210	15,749	4,734
Tenn.	2,467,679	12,191	9,713
Mo.	3,498,143	65,746	18,246
Ark.	1,903,048	6,552	5,310
Kan.	1,820,896	9,909	10,533
Okla.	2,342,474	10,820	13,352
Ohio	6,600,146	121,472	39,225
Mich.	4,395,651	40,153	24,508
Ind.	3,124,499	39,738	20,600
Ill.	7,202,983	246,147	31,505
Wis.	2,884,730	32,197	9,163
Minn.	2,651,306	29,785	13,663
Iowa	2,422,915	22,869	11,639
N. D.	641,192	2,761	2,350
S. D.	689,346	2,763	2,173
Neb.	1,384,703	7,452	8,866
Mont.	699,965	14,750	2,542
Idaho	522,175	2,645	1,771
Wyo.	235,689	2,706	1,870
Colo.	1,058,722	11,945	7,907
Utah	513,711	3,243	5,921
Nev.	77,407	1,705	470
N. M.	388,146	1,390	805
Ariz.	444,708	2,549	9,315
Wash.	1,538,228	35,639	12,353
Oreg.	877,477	17,972	8,242
Calif.	4,316,459	109,595	58,150

from the unions themselves during 1926-27, give some indication of the relative distribution of Federation membership over the United States, although the absence of figures for the United Mine Workers of America, with a membership of about 400,000, and a few other large unions, may distort the true picture somewhat.[19] Out of a total membership within the Federation in 1927 of 2,812,526, the figures in the accompanying table represent 1,851,698 members. Since that is approximately two-thirds of the Federation membership, the table would appear to have considerable significance.

The figures show that in only eight states in this country does the Chamber outnumber the Federation. In a large number of the states the membership of the latter outnumbers the former three to one, although it should be remembered that the Chamber figures do not include the membership of National Trade Associations, whereas about thirty Federation unions are not included. In the District of Columbia, the proportion is about eight to one; in Illinois about the same; and in New York and Montana about seven to one. In general the relative strength of the Chamber is greater throughout the South than in other sections of the country, as one might expect from the distribution of industrial activity. The centers of strength of both organizations are to be found, naturally, in the populous states of Massachusetts, New York, Pennsylvania, Ohio, Illinois, and California.

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obtaining figures from the various unions, and bore out what Dr. Wolman said in his earlier study. Dr. Wolman stated:

> "Much, likewise, could have been learned from a detailed study of the geographical distribution of the membership of American labor organizations, and many attempts were made to collect the raw materials for such a study. They did not, however, meet with success. Some unions did not keep their records in such a form as to permit the geographical classification of their membership. Others, which had adequate records, were unable, because of the strategic significance of the figures to publish them."

See *The Growth of American Trade Unions*, pp. 24, 25.

The member unions of the Federation not included in these data are: Actors, Asbestos Workers, Bill Posters, Boiler Makers, Bricklayers, Brick and Clay Workers, Broom Makers, Building Service, Cloth Hat Set., Firemen and Oilers, Garment Workers, Glass Bottle Blowers, Glass Cutters, Hatters, Horse Shoers, Jewelry Workers, Rural Letter Stage Employees, Stereotypers, Stonecutters, Stove Mounters, Switchmen, Tailors, Teachers, Carriers, Master, Mates, and Pilots, Sheet Metal Workers, Mine Workers, Musicians, Pavers, Printing Pressmen, S. and E. Ry. Employees, Seamen, Siderographers, Signalmen, Teamsters, Telegraphers, Textile Workers, Tobacco Workers, Tunnel and Subway Constructors.

[19] This figure is based on the voting strength of the United Mine Workers at the annual convention of the American Federation of Labor in 1927. It is necessary to emphasize the fact that these figures are not complete for either Chamber or Federation, and absolute comparisons may well be misleading. But taken as a whole the figures give something of an idea of the numerical strength of these two organizations. Until more accurate figures are available it seems wise to include them in this study.

In the absence of figures showing the geographical distribution of wage-earners eligible to membership in the Federation, it is impossible to estimate very closely the potential membership of the Federation in these states, and from that determine the ratio of actual to possible strength in the several areas. It may not be far wrong, however, to interpret Table VIII as showing the relative situation throughout the country. Were it not for the fact that neither organization professes a political solidarity, and the further condition that there is no way to determine the number of members that actually vote, comparisons between number of members in the different states and the number voting at congressional elections would have considerable significance in indicating the political strength wielded by these two groups. As it is, we can only say that these figures probably represent a fair idea of the relative distribution of the potential political strength of the two groups, so far as votes are concerned, over the country.[20] It is extremely doubtful whether further refinements of the figures, if this were possible, would yield a more correct picture of this situation. Absolutely, the figures are far from accurate; but, taken as a whole, discrepancies tend to offset one another.

We have frequently referred to the potential strength of a group agency and have previously undertaken to define this term. The following diagram (Chart F) is an attempt to portray the procedure that may be followed in attempting to set up the potential membership of any group agency, the data that should be obtained if possible, and the several sets of relationships that will ordinarily call for comparison. Of course, each particular group agency will demand its own individual treatment, and the several categories shown on the chart will have to be adapted to the needs of the given study. Ordinarily, however, one will start with the membership of the group agency at a particular time, study its character, and determine its size. If it is a federated body, as most national agencies are, the next step will be the determination of the eligible organizations outside the agency, and the individual membership of such organizations. Following this, an attempt should be made to determine the general category of which this individual membership is a class, as for example the number of wage-earners eligible to membership in the total number of trade unions. With these figures, further classified according to states or other geographical divisions, it is possible to determine with a considerable degree of accuracy the strength of the group agency with reference to its potential strength, for the country as a whole or by states, and further compare the results with the distribution of such other classes as may seem desirable, such as voters, commercial interests, etc. If this particular chapter has done nothing else, it must have shown the difficulties accompanying any attempt to get accurate figures for all these relationships. It is only as complete figures can be secured, however, that satisfactory results will be obtained.

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[20] It would be interesting to take the ratio of Chamber members in the different states to the number of voters in those states in a presidential election and compare this ratio with the ratio of republican or democratic votes in the states of this same number of voters. A high correlation might be indicative of a certain degree of party solidarity. There is greater likelihood of solidarity appearing in the case of particular measures advocated by the Chamber or the Federation than in the case of candidates for political office, however.

CHART F

ILLUSTRATING PROCEDURE TO FOLLOW IN ATTEMPTING TO DETERMINE POTENTIAL STRENGTH OF AMERICAN FEDERATION OF LABOR AND THE CHAMBER OF COMMERCE OF THE UNITED STATES

Population

Voters

Wage-Earners — Business Men
(26,080,689)*

Organized — Organized
(4,881,200)† (2,221,435)‡

Eligible — Eligible

Affiliated — Affiliated
(4,078,740)§ (527,317)‡

In spite of these difficulties of measurement and interpretation, can any general conclusions be drawn relative to the numerically representative character of the Chamber and the Federation? It seems doubtful whether there is much value in going beyond a statement of the facts as we found them, subject as they are to the many limitations mentioned. Of the total number of state and local commercial organizations in the country, many of which are not eligible to Chamber membership, the Chamber includes 17 per cent. The Federation comprises, however, about 82 per cent of American trade unions. But what do these figures indicate? Do they indicate that the Federation is more representative of the group it presumes to represent than the Chamber? That depends as we have seen on the definition and scope of the group; and, even with the restricted definition of groups employed, it is practically impossible with the data at hand to determine accurately the ratios of actual to potential membership. So far as wage-earners are concerned, the Federation would seem to represent only about 15 per cent of their number, whereas any attempt to determine the proportion of "business men" in the Chamber is out of the question.

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* Wolman, *op. cit.* p. 77.

† *Ibid.*, p. 85, applies to United States only, omitting independent locals and affiliated locals.

‡ United States Department of Commerce, *Commercial and Industrial Organizations of the United States*, 1926.

§ Official, American Federation of Labor, including United States and other countries.

Figures showing the distribution of Federation and Chamber membership by states, while inadequate and subject to many limitations, suggest in a way the relative strength of the two organizations throughout the country from the numerical point of view. In the great majority of states the Chamber seems to have from 16 to 50 per cent of the members of commercial organizations within its membership, and there does not seem to be any marked concentration of strength in particular geographical sections. In proportion to population the Chamber's strength appears to increase as we go from the east to the west, weakening as it goes south of the Ohio River or extends into the far northwest. In the great majority of states the Federation membership outnumbers that of the Chamber, the centers of strength coinciding pretty closely with the centers of industrial activity throughout the country.

At best the outside fringe of so-called potential members is an elusive thing, and the assumption by the organized members in the group of the authority to speak for the unorganized, is certainly far from desirable. It is imperative that group agencies in pressing their claims define more clearly their jurisdictional scope and limit it to definitely controlled memberships.

III. POLICY-DETERMINING TECHNIQUE

Chapter V

CONVENTIONS, COMMITTEES, RESEARCH

The technique used by a group organization in formulating its program often bears a direct relation to the efficacy of the policies themselves. The enforcibility of the policies may be determined by the degree to which provision is made for the widespread representation of interests. Their wisdom is often contingent upon the extent and quality of experts used. Their ultimate usefulness may hinge upon the facility with which they can be brought into action at the right time.

The problem of perfecting, or merely improving, the process of group expression, as far as the state is concerned, has long been one of major interest in the field of political theory and practical politics. One has only to trace the parliamentary history of England or of the United States to become aware of, if not impressed with, the complexity of the difficulties that are involved in the almost universal attempt to find, either by experiment or reason, the best method for expressing the will of such a group as the state.[1] Various applications of the representative principle, experiments with diverse forms of direct legislation, sundry election devices, to say nothing of a host of procedural rules of parliamentary practice, have all been tested, to the end that individual attitudes and opinions might the better become reflected in the laws, institutions, and *mores* of the contemporary age.

When we turn from the state itself to groups such as the Chamber and the Federation, we are struck at once by the fact that these groups have been faced with much the same problems as the state, and are today seeking within their own fields the best method to follow in giving expression to the desires of their members. That such groups have gone ahead in their search with a scant and in many cases naïve perspective of the whole problem is perhaps not to be wondered at, for political science itself has not as yet come to a complete agreement as to the requisites of sound practice in all cases. It must be evident, however, that it is becoming increasingly important to apply sound principles of group policy formulation, in view of the fact that the state is coming to the point of relying more and more completely upon group agencies such as the Chamber and the Federation for an interpretation and expression of individual attitudes and desires. With the growth in population, the extension of the suffrage, and increasing complexity of economic and social relationships, and the further intensification of group solidarity, the individual begins to discover that he and the state are moving farther and farther apart, and that their medium of intercommunication tends to become the intermediate economic or social group. If the individual voter wishes to make his citizenship count, he must ally himself with one or more groups. How important it is, therefore, that the policy-determining technique of the group or groups to which he belongs conform to the principles of democratic representative government. The fact may not be lightly disregarded, that a person may possess the right of suffrage in the modern state on an equal basis with other citizens and yet experience real disfranchisement because of the procedure followed by the groups with which he is affiliated in governing their constituencies and formulating their policies.

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[1] See for example A. F. Pollard, *The Evolution of Parliament* and R. M. Luce, *Legislative Procedure.*

It is because of considerations such as these that we now turn to a comparative examination of the policy-determining technique of the Chamber and the Federation, with a view to demonstrating, if possible, the extent to which such technique may properly be regarded as adequate. We must admit at the outset that political science has not as yet set up infallible standards to follow in judging the degree of adequacy. The fact that we shall have to proceed from hypotheses more or less tentative and in many cases arbitrary, and the fact that only a few such hypotheses can be utilized, will probably preclude the possibility of establishing unbending conclusions. But it is hoped that an application of some of the principles gleaned from centuries of state experience will afford a reasonable basis for deciding to what extent the two organizations under consideration have measured up to some of the more fundamental precepts of good procedure in formulating their policies, thereby justifying their claims to recognition as the proper intermediaries for the classes of interests which they represent.

But what are some of these principles or standards according to which the process of policy determination may be tested? In the first place, any satisfactory policy-determining technique should provide for adequate centers of initiative—a sufficient number of sources of inventiveness and creativeness from which the group may expect to obtain the necessary fertilization of its growing program and objectives. In the next place, it seems requisite that the process of policy formulation, or group legislation as it may properly be called, insure the widest possible representation of significant interests. Small minorities should not be allowed to dictate policies but should have an opportunity to make their views felt in the course of policy determination. Again, there is every reason for insisting that a group agency make adequate provision for effective and continuous control over its governing agency, so that the will of the group as a whole may be correctly reflected in every major legislative decision. There is always a danger that too much discretionary power will be vested in leaders under general grants of authority and vague resolutions. Moreover, it is essential that the contact between the group membership and the group officials be continuous and mutually responsive at all times. It is also very important that the group agency utilize all the available intelligence and expertness it can. Machinery should be installed with a view to insuring that group intelligence may be quickly mobilized in order that group legislation may approximate as closely as possible the opinion of the best-informed members of the group. In some respects this is one of the most important as well as one of the most difficult problems.

In reviewing some of the more important objectives of a desirable legislative process, there is no intention of implying that the list of standards is complete; nor that states or groups of individuals have worked out in every case the best method to pursue.[2] In a sense these standards are ideals that can be approximated only. But at least they afford a tentative basis for considering the adequacy of the policy-determining machinery of the Chamber and the Federation and other groups of a similar character.

1. CENTERS OF INITIATION

Where does a given policy originate? It is doubtful whether an entirely satisfactory answer can ever be given to such a question. The policies of a group such as the Chamber of Commerce of the United States or the American Federation of Labor generally emanate from the mind of some individual within the group. This is not always so, however, for in the case of both organizations there have been numerous instances of policies being initiated by individuals outside the group—governmental officials, members of other group organizations, university professors, and others interested in particular problems with which the Chamber or the Federation have been concerned.[3]

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[2] J. S. Mill, *Representative Government*, furnishes, of course, the starting-point in almost any discussion of standards of this sort.

(a) The Chamber

According to the By-Laws of the Chamber "all propositions, resolutions, or questions, except those which involve points of order or matters of personal privilege, shall be submitted for action in writing only by the organization members, or by the National Council, or by the Board of Directors: Provided, that by consent of two-thirds of the delegates present at a meeting a subject not so presented may be so considered."[4] This formal statement of the requirements for submitting questions suggests the limits and restrictions placed upon such initiation rather than the actual process followed in initiating plans and programs. Almost from the very beginning, the Chamber has insisted that all subjects considered or acted upon should be "national in character, timely in importance, and general in application to business and industry."[5] The responsibility for determining the eligibility of subjects submitted was placed upon the Board of Directors in the first instance, with the possibility that the Board's action might be overruled by the National Council. Although the Board is, therefore, in itself a center of initiative, it has also the important task of regulating the flow of ideas to be considered by the group membership at large. It constitutes in a sense a reservoir into which are poured ideas, schemes, and projects from all sections of the country. Out of these must be distilled the major policies upon which the Chamber acts. Within recent years this task of distillation has been frequently turned over to the Executive Committee of the Board with power to act. It may be well, therefore, to note some of the more important streams of ideas that pour into this reservoir and the way in which they are handled.

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[3] It should be noted that the members of the advisory committees of the several service departments of the Chamber of Commerce are frequently chosen from outside the membership of the Chamber itself and include students of particular problems, university professors, and experts in various fields. The Federation has a long list of interested friends in the teaching profession, among the lawyers, and in public life from whom it obtains many suggestions and considerable advice from time to time. If it were not for the fact that the several policies sponsored by the Chamber and the Federation originate in so many varied ways, it might be instructive to try to trace some of them to their source. As it is, each policy seems to have a history peculiar to itself. In what follows, an attempt will be made to indicate merely the general lines of development.

[4] By-laws, 1927, Art XIII, Sec. 2.

[5] *Ibid,* Sec. 1.

A large number of subjects are submitted to the Board or its Executive Committee by Organization Members. Nearly every meeting of the Board or Executive Committee has to consider requests for Chamber action, emanating from affiliated Chambers of Commerce or Trade Associations. With reference to these a decision must be reached relative to their eligibility as subjects for general Chamber consideration. In reaching their decision, the Board must interpret the phrase in the By-Laws to which reference has already been made, "national in character, timely in importance, and general in application to business and industry," and apply it to the various proposals submitted. Some of the proposals are so obviously local in character that the Board has little difficulty in disposing of them and advising the Organization Member that they are not suitable for consideration by the membership at large.[6] Questions affecting single lines of business, restricted geographical areas, or questions distinctly political in character are seldom approved. Other subjects may be of such a character or submitted in such a form that they can be broadened in scope and made eligible. These the Board may refer to a committee for the purpose of having the statement of the problem revamped.[7]

There are many other questions submitted to the Board which for various reasons are not considered suitable for presentation to the entire Chamber membership at the time, but which are of such importance that the Board considers it advisable to have them made the objects of special study, either by the Chamber staff or by a specially appointed committee.[8] It is not always easy for the Board to reach its decision. Considerable pressure may be brought to bear upon it by organizations concerned solely in having the Chamber sponsor or take action upon some particular hobby of theirs.[9] Theoretically the Board merely determines the eligibility of proposals and their suitability for consideration by the membership in accordance with the By-Laws. Actually, very few of the proposals that secure the approval of the Board in these respects are negatived by the Chamber membership. It is for this reason that the Board endeavors to avoid approving for general consideration matters that have not had such special attention.

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[6] In some cases the organization member, by failing to follow the procedure laid down in the By-laws for submitting questions to the Board, bars consideration of its proposals by its own negligence. One of the important procedural requirements is that an organization member desiring to submit a subject for consideration must commit its proposals to writing in the form of a resolution duly adopted by the organization or its governing body. By-Laws, 1929, Art. XIII, Sec. 3.

As illustrative of the task before a Board or Executive Committee meeting in this regard, the following may be suggestive: At the thirteenth meeting of the Executive Committee, in Washington, during the month of April, 1926, there were twenty-six proposals before it for determination as to their eligibility. Twenty-two of these were submitted by chambers of commerce and trade associations and four by the Chamber's own staff and advisory committees. In five instances an organization member submitted two proposals. In the other cases only one request for consideration came from an organization member. Three of all these proposals were declared ineligible, one dealing with a certain phase of taxation, another with representation in Congress, and a third relative to the orderly marketing of agricultural products. The rest of the proposals dealing with aeronautics, crime prevention, the Federal Trade Commission, the Public Health Service, highway transport, immigration, the Interstate Commerce Commission, national defense, postal rates, public lands, reclamation, and taxation were acted upon favorably.

[7] For example the Committee, in holding that the resolution dealing with the orderly marketing of agricultural products, cited above, was ineligible, decided to have the Chamber staff prepare a resolution dealing with the subject of agriculture for submission to the Board, with a view to having it acted upon by the forthcoming annual meeting. It appears, therefore, that the form in which the organization member submitted the question rather than the general subject of agriculture seemed objectionable to the committee.

It seems to have been the original intention of the founders of the Chamber that the body known as the National Council should take an active part in the initiation of subjects for consideration and action. The By-Laws make it the duty of each National Councillor to bring to the attention of the Officers and Directors all matters that come to his notice in his own locality or in his own trade association or industry. Prominent in the affairs of both, usually active in a number of organizations that bring him into contact with a variety of interests and problems, the National Councillor is in a strategic position for guiding the stream of local desires and individual ideas to the Board. In some cases he may bring a particular subject directly to the attention of the Board. In others he may do so through his own organization, or through the medium of a Chamber official, staff department, or advisory committee.

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[8] For example, the Board at its eighth meeting in April, 1913, considered a proposal from one of its member organizations relative to the prevention of strikes and lockouts in the case of public service corporations engaged in interstate commerce. It was decided to employ experts to study the desirability of national legislation upon such a subject before submitting the question to the membership at large. This is a very common practice. At its fourth meeting, the Board was asked by one of its Organization Members to use its influence to induce the State department to extend the treaty of Commerce and Navigation with Russia. In this case the Board decided to refer the matter to a committee for extensive study and report. At this same meeting, after approving a request for favorable action relative to the recognition of the de facto government of Mexico, the Board reconsidered its action and decided to withhold support of the proposition until it could have the benefit of a full report by a committee.

[9] For example, the Board at its eighth meeting received a telegram from the National Association of Manufacturers requesting the Chamber to take action with respect to certain provisions of a Civil Appropriation Bill. Against the opposition of two, the resolution was passed requesting the Senate not to act, a procedure which was subsequently rescinded after much discussion.

An important source of new policies and ideas, and one that seems destined to have increasing significance, is to be found in the staff departments themselves. As we have already noted, many projects submitted to the Board are first of all turned over to the staff for criticism and suggestions. This affords the various departments an opportunity to graft upon the original proposal their own ideas. In fact, a large number of ideas originate with the staff members, although the staff advisory committees usually pass upon their feasibility. So far as the advisory committees usually are concerned, they generally function as critics and advisers rather than initiators, inasmuch as it is difficult to bring them together as a body.

Organization members and staff agencies constitute, therefore, the chief sources of Chamber policies. Delegates to the annual convention may introduce resolutions with the consent of two-thirds of the representatives, but few matters of major importance first come to the attention of the Chamber in this manner. The Board may also take the initiative in cases of emergency. Whenever an occasion arises that seems to necessitate immediate action upon any subject upon which the Chamber has not previously taken action, but which is eligible for consideration, the Board is given the authority to proceed as may seem proper under the circumstances; provided such action is accompanied by an explicit statement making it clear that it is the action of the Board and that it is approved by three-fourths of the Board members.[10] It is further stipulated that before the Board may act in this discretionary manner, it must be clear that there is sufficient time to procure action on the part of the membership and that failure to act will substantially prejudice the interests of the Chamber's voting constituency. The impossibility of formulating policies in the more formal way provided in the By-Laws has resulted in the use of this prerogative at least upon a few occasions.[11]

An examination of the Chamber's procedure of policy initiation calls attention to several significant characteristics. In the first place, while it is possible for any member organization to introduce subjects for consideration, numerous precautions are taken to discourage the presentation of ill-considered, hastily drawn up resolutions of purely local interest or untimely in character. It is fair to state that these checks upon Chamber legislative activity in no way curb individual initiative, but serve only to direct that initiative along channels of interest to the entire Chamber membership rather than in directions of primary concern to special interest groups.[12] A second point worthy of notice relates to the spread of centers of initiative and the emphasis that is placed upon keeping them continually alive. Every encouragement is given to individual members of the Chamber to present their ideas to some official for consideration, action, or advice. The National Councillors have as one of their assigned duties the relaying of these ideas to the Board and the official staff. But the Chamber does not depend exclusively upon spontaneous suggestions of this sort to guide it in the process of policy formulation. The staff itself, continuously engaged in study and research, guided by the advice of students and business men, is coming more and more to be looked upon as the source of new ideas and programs. It is the staff, guided to be sure by the officials to some extent, that preserves a certain degree of continuity in the program of the Chamber, generalizes if need be the specific problem of a member, and steadies the general development of Chamber policies. A third point worthy of emphasis has to do with the degree of control exercised by the Board over the submission of measures to the membership generally. The Board is in no sense the representative of any group or party within the organization, and the question whether or not a given proposal shall be acted upon by the group as a whole

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[10] By-Laws, 1927, Art. XII, Sec. 2.

[11] For example, in its sixth annual report the Board made the following statement: "But five referenda have been issued in the fourteen months that have elapsed since the last annual meeting, as compared with eight issued during the calendar year 1916. It is important to state in this connection that this does not indicate a lessened activity or a purpose on the part of the Board to proceed in matters of national importance without securing the views of member organizations. The contrary is the fact; but exigencies of war have required the application of new methods in emergencies where use of the referendum method would not have brought results in time to make effective use of them. In such circumstances

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there has been no hesitation to assume proper responsibility. The Board itself has adopted resolutions and reports in the name of the Board, has authorized the Executive Committee to act in like manner, and in some cases has approved the publication of the reports of special committees. In so proceeding, the Board was far from attempting to commit the Chamber of Commerce of the United States. It took care to state that the action was that of the Board, the executive Committee, or a special committee only, and immediately advised the membership of the Chamber in order that each constituent member could take such action on the subject as it might deem best." *Annual Report, Board of Directors,* 1918, p. 27.

[12] Many chambers of commerce, and the National Chamber is one of them, seem to be the objects of numerous requests to pass resolutions on matters of every conceivable nature and to transmit them to representatives in Congress. The Chamber has answered this request as follows: "The prestige of chambers of commerce is weakened in the eyes of the public and in the opinion of our political representatives when chambers of commerce resolute promiscuously." See News Letter No. 240; March 15, 1928.

is not for the Board to decide. It is true that the By-Laws have placed upon the Board the duty of vetoing proposals which are not general in character, but this should not affect in any way the Board's submission of matters or proposals merely out of harmony with the Board's views. The Board occupies, at least theoretically, a unique position. It is at once a legislative draftsman, a supreme court, a legislative body, and an executive agency. It may act on its own initiative under certain circumstances. It revamps and transmits proposals to the membership. It determines whether such submission of proposals would be in conformity with the By-Laws. And as we shall see later, it sees to the execution of policies upon which the Chamber has been committed. In submitting a series of proposals to the Chamber constituency, the Board is as a rule merely acting for some organization member, and its action is not to be construed as one giving approval to the proposals. But the fact cannot be ignored that the Board, through its own power of initiative, through its power of passing upon the eligibility of subjects submitted by others, and by reason of the prestige of its members, does occupy a strategic position in policy-initiating procedure. The Board is actually much more than a mere sifting and reflecting agency. It leads, initiates, and guides the Chamber constituency, not in the capacity of a party spokesman, but as a group of leaders representative of great cross sections of American industry.

It should be further observed that the discretionary power of the Board is especially important. In interpreting the phrase "national in character, timely in importance, and general in application to business and industry" it engages in a task involving a nicety of insight and tactful diplomacy. Subjects that are likely to arouse internal dissensions and promote discord must be shelved or deftly drafted in such a manner as to obscure their real import.[13] The initiative of the Board, therefore, often comes into play after action by the membership rather than before; and the test of its ingenuity is to be found not so much in the ideas originally proposed, but in the manner in which general propositions are applied to particular situations.[14] In fact, the need for centers of initiative spread widely over geographic areas is accompanied by an equally important need for such centers running vertically along the path from policy origination to policy execution.

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[13] Take, for example, some of the propositions submitted in the Chamber referendum dealing with tariff principles. Proposition Number 1 read as follows: "Legislation should be enacted permitting, in the event of changes of economic factors, adjustment of tariff rates by administrative authorities within limits prescribed by Congress for the purpose of maintaining a consistent tariff policy," or Proposition Number 3 that "There should be reasonable protection of American industries subject to destructive competition from abroad and of benefit to any considerable section of the country." Very few persons could well disagree with such innocuous statements. Referendum No. 37, submitted December 7, 1921.

In this connection it may be well to note a difficulty which the Chamber has encountered and which may be common to other groups that endeavor to legislate in a general way through membership votes. A general policy having been initiated, the question arises as to how long it is to be considered in force. Some measures upon which the Chamber has taken action were obviously of a temporary character, while others presumably dealt with more fundamental points of policy. In view of constantly changing social and economic conditions, it is very important that the Board shall know into which class a particular subject upon which the Chamber has committed itself falls. One of the weaknesses of the Chamber's initiation procedure is the fact that no machinery has been developed for bringing policies up to date, except through the cumbersome method of re-enactment through referendum or resolution at an annual meeting. Nearly all group agencies face this problem, and it is a difficult one to solve.[15] At present the Chamber seems to follow the plan of adapting all policies to changing conditions through Board interpretation, with here and there a change in policy by formal membership action. It is almost as important from the point of view of policy-determining technique that machinery should exist for automatically discarding antiquated policies as for initiating new ones. In the absence of such machinery, the executive officials accede to a power of discretionary interpretation, burdensome if not undemocratic.

The question may arise at this point whether the Chamber uses any particular methods for stimulating centers of initiative other than those involved in the payment of staff personnel; honoring members as councillors, directors, or by some other official recognition; and encouraging in a general way the presentation of individual member problems to the Chamber. Of course, the paid staff has a definite incentive to devote its inventive powers to the interests of the organization. The officials elected by the membership likewise have every reason to enlarge their creative imaginations and contribute to the fund of Chamber ideas. Official initiative is further stimulated by reason of the fact that terms of office are short, and frequent changes in personnel increase the fund of schemes and programs. But the Chamber goes even farther and seeks to awaken and enliven the interest of individual members wherever they are and whatever their capacity. A steady stream of literature pours over the desk of the individual member, outlining problems, suggesting new lines of thought, and appealing for responses.[16] Lists of speakers are made up and speaking tours are constantly in operation, designed to arouse interest and direct the individual's thinking Chamber-ward.[17] Divisional, regional, and sectional conferences are held partly for the purpose of engaging the mind of the business man and focusing it upon a given problem.[18] Committees of the Chamber hold hearings in various parts of the country and encourage the introduction of new ideas. In fact, the whole publicity and promotion machinery of the Chamber serves to stimulate the interest and inventiveness of the members.

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[14] At its meeting in February, 1926, the Board found it necessary to appoint a committee to interpret resolutions and referenda of the Chamber pertaining to branch banking, in order that a decision might be reached relative to the position that the Chamber should take on the McFadden-Pepper bill, then before Congress.

[15] One of the officials of the Chamber called the writer's attention to this problem and stated that in his opinion a careful distinction should be made between policies of a permanent and those of a temporary character at the time of their initiation and consideration. That would make it possible for temporary policies to be automatically discarded as soon as their applicability or usefulness was over.

What has been the success of the Chamber in stimulating initiative and creating interest by these methods? It is not easy to measure the success of efforts of this kind, but the Chamber has a few indicators that it uses for gauging results. One of these is the number of queries that come back to the Chamber, provoked presumably by the technique of stimulation.[19] Another is the amount of publicity which the press of the country gives to the projects advanced by the organization.[20] Attendance at conferences sponsored by the Chamber, the character and quantity of replies to requests for suggestions—all of these constitute at least rough indications of the degree of interest and thought that has been awakened.[21] The Chamber is fully aware of the difficulty, however, of awakening the interest of the average business man in questions which on their face do not appear to relate to the pecuniary success of his individual enterprise.[22] In the minds of some of the leaders there is harbored the feeling that however small the success may be in proportion to the effort expended in this stimulation of interest, that effort is fully justified by the fact that it is a great force for strength-

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[16] The News Letter, for example, sent to chamber of commerce secretaries semimonthly is an instrument primarily used for developing "the thinking of chamber executives along constructive lines." Appendix to *Report of Promotion Activities for* 1927, p. 2. Bulletins, letters, digests, statistical services—all tend to stimulate initiative on the part of members.

[17] Itineraries are frequently planned by division managers. Members of the Washington staff usually make the speeches. One report of the Organization Service of the Chamber has this to say about the importance and nature of this work:

> "For years there has been a steady and insistent demand on Mr. Brown to visit chambers of commerce, to sit in conference with their boards of directors and committees, to consult with their staffs, and to address meetings of their members. This field work is planned on the itinerary basis, the organization visited on any given itinerary paying their pro rata share of the traveling expenses entailed. The object is to strengthen the weakest links in the Chamber's organization membership chain. For example, during the past six months Mr. Brown covered an itinerary in Ohio, visiting nine chambers of commerce on request for the purpose of conferences and addresses."

Ibid., Sec. C. A list of the speaking engagements of Chamber members is published each week in *Week's Work*.

[18] These conferences will be made the subject of more searching inquiry later in connection with that phase of policy-determining technique which relates to the consideration of policies.

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[19] The Organization Service was able to report in 1927 a steady increase in the number of inquiries relative to its work for the preceding three years. A comparison of the inquiries received for the six-month periods ending in December 1925, 1926, and 1927 showed the following results: 782, 992, 1103 for the respective periods.

[20] A very careful record of the amount of publicity the Chamber receives is kept and classified. For the month of October, 1926, for example, the Chamber was able to announce that the newspapers of the country had printed 17,997 items about the Chamber and its work, a total of 6,000 columns, or more than 750 solid newspaper pages. "The most encouraging feature," said the report, "was the large number of editorials, 2,942 altogether." This editorial attention shows that the Chamber is now recognized as an institution of such importance that its activities require comment in the editorial offices. The clippings by subjects follow:

Agricultural Conferences	665
Departmental Activities	1,037
Fire Prevention	9,927
International Chamber	407
Nation's Business	1,398
Organization Service Work	161
Division Offices	330
President O'Leary	512
Southern Board Meeting	569
Miscellaneous and Speeches	371
Editorials	2,942
Total	17,997

Week's Work, November 13, 1926, No. 10, p. 1.

[21] The following report from the *Week's Work* for July 9, 1927, No. 47, p. 1, is illustrative: "President Pierson's letter to members asking for suggestions for the National Chamber's program for the coming year elicited 182 replies. The subject exciting greatest interest was flood control, with 29 letters. Taxation was second with 26; agriculture third with 18; railroads fourth with 10; waterways fifth with 9; and forestry sixth with 6." Then follow a list of the other subjects mentioned.

[22] One executive secretary of an organization member of the Chamber in a letter to the writer stated with reference to Chamber referenda, "Our Association has not taken much part in these (referenda), as they seem to be of only academic interest to the farm publishing industry." Letter of September 14, 1927, from the Agricultural Publishers' Association.

ening and solidifying the economic consciousness of the business men throughout the nation.[23]

(b) The Federation

Within the American Federation of Labor, the procedure of policy initiation conforms in many respects to that of the Chamber of Commerce of the United States which has just been described. Individual union members acting through their trade unions, staff officials, elective officers, members of the Executive Committee, as well as many outsiders, contribute to the fund of ideas that constitutes the general policy of the Federation. Certain differences in structural outlines of the organization, variations in procedural technique, as well as differences in ideals and objectives have brought about some variations in emphasis and changes in method from those we have just noticed, however, and to these differences we shall devote our attention.

In order to understand the attitude of the Federation toward the matter of policy initiation, it is necessary to remember that the trade-union membership of the country in the aggregate is composed of individuals with restricted education, moderate financial resources, and limited time for the consideration of problems other than those affecting their own working conditions. Under present circumstances it is out of the question for the organization to look to the rank and file of the members for novel ideas, or constructive suggestions for meeting new problems. These workers have little time or energy for interesting themselves, if they would, in broad questions of national policy. For this reason the Federation has come to depend to a very considerable extent upon its leaders for creative effort, and the relationship that exists between these leaders and the mass of trade-union members is not so much a relationship that facilitates the mutual exchange of ideas, as it is one that calls for creative leadership by the one group and zealous allegiance by the other. At the same time it is to be remembered that a more or less fervent democratic spirit pervades the trade-union movement, and American workers would resent any attempt of the leaders to appear to dictate, however much they dictate in actual practice. The individual membership of the Federation must be made to feel that their intellectual contributions are necessary for the work in hand, and they must be afforded every opportunity for presenting them regardless of their value or practicality.

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[23] A former President of the Chamber told the writer that he believed that the Civil War would never have been fought had such an organization as the Chamber existed at the time, bringing together and solidifying the business interests of various sections of the country.

In spite of the Federation's inclusive and extensive membership, it is greatly handicapped by lack of finances and available talent. For this reason its centers of initiative are scattered over a much narrower area than are those of the Chamber, and the problem of replenishing such centers as do exist is a very real one. Officials once elected have a tendency to become permanent fixtures, and the history of the Federation, almost from its very beginning, has evidenced few constructive changes in policy, with now and then a change in method. As we have already noted in a previous chapter, the objectives of the Federation converge toward a few basic aims which are easily understood, and necessitate the use of originality in their application more than in their formulation. Relying at first to a very great extent upon economic pressure to obtain their ends, the leaders of the trade-union movement have not until quite recently felt the need for elaborate mechanisms to arouse creative interest on the part of the members. In fact new ideas coming from the rank and file would be a source of disturbance rather than enlightenment, and have not been encouraged to any great extent. We have already observed that the organization spends large sums of money in recruiting members, and for the purpose of stimulating sufficient interest on the part of workers to join the movement. But there has generally been a tendency on the part of the leaders to regard their own programs with some jealousy and frown upon novel suggestions coming from other sources.[24] In recent years some changes in this point of view have become visible; and the skeleton of a procedural framework along the lines of the Chamber's is coming into prominence.

After the manner of the Chamber's Board of Directors, the Executive Committee of the Federation functions as the reservoir of such ideas as emanate from the trade unions and the rank and file of members. Into this reservoir pour the resolutions advanced at the annual conventions, the suggestions that come from labor leaders throughout the country, the gratuitous advice that has its source in the minds of "sympathetic students of the labor movement," and the day-to-day views of the staff forces and the paid officials.

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[24] The writer was privileged to attend a conference of labor leaders within the American Federation of Labor at which preparations were being made for pressing to the attention of Congress Labor's attitude on the alleged injunction evil. The Federation was supporting at the time the so-called Shipstead anti-injunction bill and it was evident that some of the leaders were not inclined to receive very cordially advice and suggestions from interested outsiders unless they were in accord with the policy already decided upon. This attitude is by no means characteristic of Federation leaders exclusively, however.

The procedure at the annual conventions of the Federation is calculated to satisfy the democratic aspirations of the most creative minds in the organization.[25] Any delegate or group of delegates to the convention may introduce resolutions without stint or restriction. Under these circumstances these conventions become colored by the introduction of a variety of proposals that would dazzle even the mind of a Congressman. Anywhere from seventy-five to one hundred and fifty resolutions may be acted upon with a dispatch and abandon that would bewilder a Senator or Representative accustomed to days of filibustering and years of expensive investigations.[26] Major problems of foreign policy, perplexing questions of industrial economics, as well as social, religious, and personal matters are more or less readily disposed of. The annual convention is the source, therefore, of innumerable suggestions and propositions, many of which emanate from conditions that exist in some particular locality or are common to the members of a given national and international union. The very seriousness of the industrial conflict in which the members of the Federation find themselves is in itself one of the greatest incentives to policy initiation and origination. As contrasted with the situation in the Chamber, the individual members of the Federation do not seem to require a high pressure technique to arouse them to thought and action. Of course, Chamber members in common with those of the Federation find plenty of mental stimulation in the conditions surrounding them. But in contrast to the attitude of the Chamber, the Federation encourages the presentation of these problems, regardless of their lack of generality for the entire membership represented in convention.

The Executive Committee of the Federation has its own part to play in the procedure of initiation, however, the importance of which can hardly be overstressed. Many of the proposals that are introduced into, and acted upon by, the convention proceed from the Committee itself. In some cases general subjects are referred to it for study and investigation. Moreover, this group of executive leaders, unhampered by many formal restrictions, long familiar with the activities of the organization, possess, in common with the Chamber Board of Directors, a large degree of discretionary power in the interpretation and application of policies upon which the convention has taken definite action. Impractical resolutions are discarded; distasteful proposals are sunk in the sea of long-drawn-out investigation, or are ignored altogether; while their own initiative is devoted to the interpretation and application of resolutions in which they have confidence. Personal leadership seems to play a far greater part in the direction of Federation policies than it does in the case of the Chamber; although that important element in organizational life is by no means lacking in the latter. Out of the maze of suggestions that come to Federation leaders from all parts of the country, their conception of an attainable program is constructed, and the loyalty and devotion of the rank and file is expressed in their customary acquiescence to the pronouncements made.

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[25] See closing address of the President of the American Federation of Labor quoted in *History, Encyclopedia, Reference Book*, 1924, Vol. II, pp. 62-64.

[26] See Appendix D, p. 266 for a typical list of the variety of subjects that are usually acted upon by a Federation convention.

To what extent does the initiation procedure of the Federation parallel that of the Chamber in its reliance upon the creative efforts of the staff? The Legislative Committee, and the more recently organized Research Department, Committee on Education, and Legal Information Bureau do afford springs of inventiveness and creativeness steadily increasing in importance. Due very largely to lack of funds for staff organization, contributions from this source are not as yet developed to the point where these agencies can be depended upon to a very large extent. It is quite apparent, however, that the leaders in the Federation are fully aware of the importance of having trained minds constantly at work on problems of interest to the group and realize that the group agency of the future cannot hope to function successfully if too great reliance is placed upon the intermittent and unstudied intellectual contributions of members or officials, either at conventions or in more informal conferences.

As we have already noted in a previous chapter, the Federation maintains numerous contacts with outside agencies, and from them receives suggestions as to policies and methods. In some cases these outside bodies act solely in an advisory capacity; in other cases committees from the Federation co-operate with them. The Federation has always been fortunate in having a large number of lawyers, public officials, business men, and students of the labor movement to whom it could go for advice and help in case of emergency. Informal conferences are called, letters are sent out requesting suggestions, and in some cases the Executive Committee or some other committee of the Federation holds hearings—out of which come new ideas and new policies.[27]

The Federation does not appear to have evolved any very elaborate technique for stimulating centers of initiative. Its leaders and its paid staff have an obvious incentive to originate and formulate new ideas and programs. Letters or appeals to interested friends of the labor movement suffice to bring forth almost any number of suggestions for the solution of a particular difficulty. Individual members, constantly pressed by an environment filled with perplexities and problems, can usually be relied upon in the last resort to furnish suggestions of a sort. And formal and informal contacts with outside groups transmit frequent and often valuable ideas and suggestions. On the whole, however, the fund of creative inventiveness from which the Federation may draw is considerably restricted. A few leaders serve to supply the major portion of the ideas, and infrequent changes in personnel necessarily limit the variety of these ideas.[28]

A few general characteristics or tendencies relative to policy initiation seem to be common to the Chamber and the Federation. Both group agencies find it impossible to rely upon individual spontaneity for the generation of ideas. Continuous research, persistent investigation along carefully thought-out lines, seems to be absolutely necessary. In the second place, one finds an inclination on the part of the two groups to define the function of their elected officials not so much in terms of creativeness as in terms of control and direction. It is true that both the Executive Committee of the Federation and the Chamber's Board of Directors function in many cases as initiators; but the inability of any group of men, however capable they may be, to supply the growing forces, the germs of progress—especially if they are not trained investigators—is becoming increasingly evident. Under modern conditions of high-tension group competition in a world of science and complexity, the need for the expert is realized by the group as well as the state. In the third place, the modern group agency does not hesitate to make use of the advice and interest of individuals and agencies outside the group proper. Both the Federation and the Chamber are coming to rely more and more for new ideas not altogether upon paid experts, but also upon interested persons outside the membership who are willing to serve on advisory committees or contribute their suggestions in a less formal manner. That group agencies can command the services of capable persons in this way is a significant feature of group evolution. Finally, it is to be noted that both groups seem to sense the importance of stimulating the interests of their individual memberships; not that they expect to obtain very much wisdom from these sources, but because such interest is a prerequisite to the successful execution of policies. One who considers the numerous resolutions brought before the Board of Directors of the Chamber, or the medley of voices heard at a Federation convention, and laments the lack of orderliness and sense of direction, loses sight of the importance of allowing free and unhampered expression on the part of the group membership regardless of any real intent to act upon such a mass of suggestions.

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[27] See Appendix F, pp. 268-70, for a detailed description of the formulation of the Federation's policy expressed in the Shipstead anti-injunction bill. The history of policy formulation in this case illustrates the variety of sources from which the Federation draws suggestions and advice.

[28] *Ibid.* The story of the anti-injunction bill illustrates this.

2. CONSIDERATION OF POLICIES

After suggestions or resolutions have been formally introduced for group consideration, what procedure is followed in the course of reaching a decision regarding them? In many cases, long before they are presented to the Board of Directors or introduced in an annual meeting, such propositions have been the objects of long and careful study by specially interested persons. The Chamber and the Federation employ a wide variety of methods and agencies in the consideration of policies that come before them. Their aim is to focus the greatest amount of group intelligence upon a given problem, to facilitate the handling of the many matters that are up for consideration, to conciliate the largest number of groups represented in the organization, and to give publicity to the proposals, for educational purposes as well as for the purpose of assisting and easing the process of execution. It is a common mistake to regard annual meetings, conferences, committee meetings, interviews, luncheons, held for the consideration of certain policies, as being merely instruments for the pooling of intellectual ideas. Such gatherings, in fact, seldom have a single objective in view and frequently have even more ends in view than those we have just noticed. In some cases their significance consists in the accomplishment of some other than the ostensible purpose. Conferences may be brought together primarily in order to give publicity to certain prearranged plans. Referenda may be held with the idea of giving certain programs the political backing that comes from having a policy ratified by large numbers of people. Committee meetings may be given over to the conciliation of opposing interests rather than the perfecting of plans and objectives. In view of these considerations, it is natural to expect that the technique followed by the leaders in engineering a particular gathering will be very largely determined by the primary end in view. We cannot go into the infinite variety of these techniques, but will have to confine ourselves to pictures of the more or less typical agencies that are used from time to time in getting policies ready for their final adoption.

(*a*) *Conventions*

Both the Chamber and the Federation hold Annual Conventions in order to bring together representatives of the entire group for deliberative purposes, to stimulate interest among the members; to give publicity to the work of the organization, to act upon certain proposals, and to cement more firmly the solidifying elements in the group. The place and time of the meetings are selected with some care. Prior to the completion of the "Home of American Business" in Washington, the Chamber followed the custom of the Federation and held its meetings in various cities throughout the country.[29] Since 1925, however, all annual meetings of the Chamber have been held at the national headquarters. In the course of its history the Federation has scattered its annual meetings over most of the geographical sections of the country, in an endeavor to give encouragement to members in these sections and maintain as uniform a level of interest in the conventions throughout the country as possible.[30]

The time of meeting is also an important factor in convention technique. No group agency has been better aware of this fact than the Federation, which now holds its annual meeting, as a rule, early in October of each year, just at the time when the machinery of Congress is being oiled and put into proper shape and important elections are often impending.[31] The Chamber, on the other hand, seems to prefer the early days of May, a date doubtless selected to suit the convenience of its members, since it is certainly not the best time for any immediate influence on legislation.

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[29] The 1916 and 1917 meetings were held in Washington; the 1918 meeting, in Chicago; the 1919, in St. Louis; those of 1920 and 1921, at Atlantic City; that of 1922, in Washington; that of 1923, in New York; that of 1924, at Cleveland; and those since 1924, in Washington.

[30] For a list of the conventions of the Federation, with dates and places of meetings, see *Proceedings*, 1927, p. xvii.

To the realist in American politics these great conventions are important factors in the political life of the state and may well demand much more careful scrutiny and study than they have yet received. Here gather once each year the declared representatives of millions of workers and business men, presumably acting for a constituency comparable in size to either of the two major political parties in this country. But while comparisons on the basis of size may be made between these annual meetings and the party conventions that are held once every four years, there are many significant contrasts. The first of these has already been suggested. Whereas the great national parties meet only once in four years, these assemblies are called together each year, thereby achieving a degree of continuity in their deliberations, a solidarity in their composition, and an effectiveness in their actions not possible in the case of the former. Moreover, there is a marked difference in the composition of group and party conventions, not so easy to analyze and describe perhaps but nevertheless very real. In the former you find not political leaders aspiring for public recognition, clever in their ability to negotiate and compromise, trained in the patterns of a voter's mind, intriguing, manipulating, and advertising, but business executives deeply conscious of certain practical problems facing them in their business, energetic trade-union officials intent upon holding their positions and furthering the interests of their organizations. These business men and trade unionists come to these conventions not as representatives merely, but as participants in a maze of industrial problems and conflicts, the outcome of which affects them directly. Their personal responsibility for the decisions reached will not end with the close of the convention, and the wisdom, or lack of it, of the solutions broached cannot be successfully shifted to the shoulders of others.[32]

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[31] In 1881 and from 1885 to 1901 the convention met in December; in 1882 and from 1902 to 1917 it met in November; in 1884 and from 1923 to 1927 it met in October except for one year, 1924, when it met in November; from 1918 to 1922 it met in June; and on only one occasion, in 1883, it met in August. Or, put it in another way: it has met 18 times in December, 18 times in November, 5 times in October, 5 times in June, and once in August. The relation of the time of meeting selected and the legislative objects of the Federation may be gleaned from the Constitution of the Federation which provides: "The Convention of the Federation shall meet annually at 10 A. M. on the first Monday in October, at such place as the delegates have selected at the preceding Convention, except during the years when a presidential election occurs, when the Convention in those years shall be held beginning the third Monday of November." Art. III, Sec. 1.

In a previous chapter we have noted the basis of representation in both the Chamber and the Federation. In the case of the former, delegates are apportioned among the organization members according to membership, with the provision that no organization member shall be entitled to more than ten delegates or ten votes.[33] This restriction is apparently necessary, in view of the character of the organization members, their size, and the need for preventing any small group of such members from dominating the convention. The number of delegates from the various affiliated organizations of the American Federation of Labor is determined on two distinct bases. All national and international unions are represented according to membership, conforming to a schedule which gives the larger unions an absolutely larger representation but the smaller unions a proportionally larger number of delegates. All other affiliated organizations are entitled to one delegate each.[34] In view of the fact that no restriction is placed upon the total number of delegates from a national or international union, it is possible for a few of the larger unions to dominate the meeting, the more so for the reason that the voting strength of the unions is adjusted more in accordance with the size of the membership.

In the case of both groups, a very carefully planned procedure for the consideration of policies is in force. There are two ways in which resolutions may be brought before the Chamber meeting. Organization members desiring to submit resolutions to the annual meeting may do so by sending a copy of them to the Board of Directors at least forty days before the meeting is held.[35] As soon as the Board of Directors has passed upon the eligibility of the proposals so submitted, these are then mailed to each member of the Chamber thirty days in advance of the meeting.[36] At the meeting of the National Council on the day just preceding the opening of the general sessions, the Board submits the questions to be considered to the Councillors. The resolutions are there discussed and arranged in the order in which they are to be presented to the delegates at the general sessions, and an opportunity is usually given to the National Councillors to express their opinion on any or all of the resolutions for transmission to the annual meeting. These rules with reference to the bringing of matters before the general sessions of the Chamber are designed so as to restrict the number of proposals before the delegates to those that have been more or less carefully considered by the members prior to the meeting, and also to limit the proposals so considered to those that are clearly eligible for consideration under the provisions of the By-Laws.

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[32] Most of the delegates to the convention of the Federation are officers in affiliated unions or in the Federation itself. The constitution provides that the delegates shall be elected at least two weeks previous to the annual convention and may be only bona fide wage workers who are not members of, or eligible to membership in, other trade unions, in the case of Federal Labor Unions. Art. IV, Secs. 1 and 2. Delegates to the annual meeting of the Chamber may be selected by each organization in such manner and for such term as it may elect, but only officers or active members may be elected, and one of these delegates must be the National Councillor. By-Laws, Art VI, Sec. 2. It is interesting to note that approximately 2,235 members registered at the 1927 meeting of the Chamber, the number of organizations represented being 695, located in every state in the Union and in eleven foreign countries. New York led with 129 organizations; Illinois, second with 79; Pennsylvania, third with 70; Ohio, fourth with 45; and Massachusetts, fifth with 30. There were 190 presidents of organizations attending, and 259 secretaries. The number of ladies registered was 367. *Week's Work,* May 14, 1927, No. 39, p. 1.

[33] As shown by the vote on referendum number 49 on state and local taxation there are at least forty-five organizations within the Chamber whose membership would otherwise entitle them to more than ten votes. In at least two cases the membership runs as high as 10,000.

[34] By-Laws, Art. IV, Sec. 1. The total number of delegates at the annual convention of 1927 was 394, representing 216 unions. Of these delegates, 266 represented national and international unions; 4 the departments; 28 state bodies; 72 central labor unions; 16 trade and federal unions; and 6 fraternal organizations. *Proceedings,* 1927, p. xv.

Under certain conditions, proposals may come before the annual meeting which have not conformed to the regulations just described. By a two-thirds vote of the delegates present at an annual meeting, a subject may be presented which has not been submitted forty days in advance and subsequently referred to the members for study.[37] In cases of emergency the Board of Directors may by a two-thirds vote waive the forty-days provision and authorize the submission of a question to the meeting.[38] Or, upon approval of the Council or Board of Directors, a member may be permitted by petition to place upon the program for consideration a question which has not been submitted in advance by mail.[39] Quite a large number of matters come before the meeting in these exceptional ways, but there is an inclination on the part of the convention to refer such questions to the Board for further study rather than to act upon them at the time.[40]

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[35] By-Laws, 1927, Art. XIII, Sec. 12.

[36] Prior to the 1927 meeting the Board approved twenty-one resolutions submitted by organization members. The subjects covered by these resolutions dealt with agriculture, confiscation of vehicles, false advertising, fiscal years, foreign trade, highways, interstate commerce commission, legal procedure, merchant marine, motor business, Nicaragua, postal service, radio, taxation, and telephone rates. *Week's Work,* No. 35, May 3, 1927, pp. 2-3.

[37] By-Laws, 1927, Art XIII, Sec. 2.

[38] *Ibid,* Sec. 12c.

[39] *Ibid,* Sec. 11.

[40] It would appear that only twenty-one resolutions out of about forty were sub-

All of the resolutions which have been presented in the several ways described above are turned over to a committee on resolutions consisting of one member from each of the nine election districts into which the country has been divided, and two elected at large.[41] Opportunity is usually given for a brief discussion of the resolutions from the floor on the second day of the convention, and on the third and final day of the annual meeting the report of the committee on resolutions is acted upon.[42] Except, therefore, for a very brief discussion of the resolutions on the second day, and possibly some discussion on the third day in connection with the report of the resolutions committee, the meeting as a whole devotes very little time to the general consideration of these matters. Superficially it would seem that such an amount of time is quite inadequate, but it should be borne in mind that all or most of these resolutions have already been considered by the member organizations; that they have received the close scrutiny of the Board of Directors; that they have been discussed by the National Council; and, in case of resolutions introduced by the Board, they have often been the subject of searching inquiry by special committees and the staff of the organization. Moreover, the resolutions themselves do not always call for detailed study, may be perfunctory in character, or may be for the purpose, merely, of asking that some study be undertaken.

But the consideration of policies during the annual convention is by no means confined to the general sessions, or the meetings of the resolutions committee. While these formal sessions are given over for the most part to learned addresses and the formal ratification of actions already taken, meetings of another sort are in progress which affect the determination of policies directly. Special luncheon meetings have been a feature of recent annual meetings of the Chamber, so arranged that

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mitted to the 1927 meeting in the manner that was first described. The attitude of the resolutions committee and the convention with respect to the procedure to follow in the case of matters that are brought up hastily is illustrated by the following statement of the resolutions committee at the 1927 meeting: "The resolutions committee has received under the rules proposals for resolutions on a number of other subjects. These subjects belong in a variety of fields. Upon some of them it may eventually be very appropriate for the Chamber to take a position. As yet, however, the Committee believes that the citation with respect to each of these subjects should be more fully developed, in order that any decision of the Chamber may in fact represent a general point of view and interest on the part of the membership." *Annual Report, Board of Directors,* 1927, p. 54.

[41] For a list of the election districts and the states included in each, see By-Laws, Chamber of Commerce of the United States, Art. VIII, Sec. 2.

[42] As part of the technique of policy consideration, the program committee usually endeavors to have each annual meeting's deliberations center around a single topic or problem. In 1927, for example, the general topic was, "The New Business Era." See Appendix E, p. 267, for a typical program for an annual meeting of the Chamber.

four or five groups, each composed of delegates interested in a given phase of business, will be holding luncheon chats simultaneously.[43] Each of the service groups usually has charge of one of these luncheons, and endeavors to make the luncheon an expanded gathering of its own advisory committee. Not infrequently the Chamber arranges meetings with other organizations such as the American Trade Association Executives and the National Association of Commercial Organization Secretaries, discussions which often center about the more important resolutions before the general meeting.[44] But even these meetings are prearranged and guided consciously in the direction of the consideration of listed subjects. But what of the more informal contacts that are made during the course of receptions, dances, golf tournaments, and other forms of entertainment that seem so much a part of present-day group conventions? All of these have to be taken into account in appraising the extent and quality of group consideration of policies.[45]

The annual convention of the American Federation of Labor differs in many respects from that of the Chamber. This is true not only with respect to the procedure of policy consideration, but also with respect to the general atmosphere of the gathering, the seeming confusion that often characterizes the sessions, the amount of time given to speech-making and the size, length, and number of sessions. In a sense this convention symbolizes democracy, and yet there are elements permeating it that are far from being democratic. Housed frequently in an unfamiliar auditorium, flanked by interests criticizing if not ridiculing and defaming it, struggling to maintain its center of gravity amid the variety of conflicting opinions that tend to engulf it, this body of experienced trade unionists endeavors to mold factions into a structure that will withstand the onslaughts of an ensuing year. Most of the delegates are prominent officials either in the Federation or in some affiliated organization. From their years of activity in the trade-union movement —having in many cases worked their way up from the lowest levels— they bring to the convention a breadth of vision and experience that would be hard to equal.

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[43] The following quotations taken from the description of the 1927 annual meeting suggest a picture of the procedure followed in the section and luncheon meetings. "Lively discussion developed in the agricultural section meeting over the question of how industry and business can best assist in restoring agriculture to a satisfactory basis. After three hours debate, it culminated in the adoption of a resolution to be referred to the Board of Directors, declaring, etc." *Nation's Business,* May 20, 1927, p. 38. "Those whose interest led them to the luncheon meeting of the finance group heard authoritative addresses on important problems in public finance at home and abroad." *Ibid.* "I want to ask you to consider the principles on which wages should be constructed, with particular reference to the declaration of the American Federation of Labor that the wage should take into account the increased productivity of the worker. Mr. Julius Barnes, past President of the National Chamber raised this point in opening the discussion at the group meeting of the Department of Manufacture." *Ibid.* p. 40. Referring to the insurance group meeting it was stated: "In addition to the formal program of papers on the service of insurance, two resolutions were offered and unanimously approved." *Ibid.* p. 44.

[44] One hundred and twenty-five members of the 1927 annual meeting attended the midyear meeting of the American Trade Association Executives. *Ibid.,* p. 62. A large number of members also attended the midyear meeting of the National Association of Commercial Organization Secretaries.

[45] The Chamber has published an interesting pamphlet entitled *The Handling of Conventions,* which sets forth in a brief but comprehensive manner a list of valuable suggestions with reference to the technique of holding conventions, particularly by chambers of commerce. On this same subject see also E. E. Hunt, *Conferences, Committees, Conventions, and How to Run Them,* 1925.

Resolutions come before this body, as a rule, without that sheltered supervision which characterizes the Chamber procedure. Except for the requirement that all resolutions must be introduced during the sessions of the first two days unless unanimous consent for a later introduction is obtained, each delegate has almost complete freedom in the introduction of resolutions.[46] Consequently the assembly is called upon to consider a wide variety of proposals during the ten or eleven days that it is in session. Of course, it is true in the case of the Federation as in that of the Chamber that many of these resolutions call for no great amount of deliberation and careful study by the convention. In the first place, many of the subjects have been before the Federation for long periods of time. Again, many of the subjects have been considered carefully either by the Executive Council or some member organization before the convention. Furthermore, many of the questions do not require immediate action, and final commitments by the Federation may well be postponed. An examination of the convention's action relative to the Executive Council's report in 1927, for example, indicates the variety of actions that are taken by resolution which really do not necessitate thorough analysis by the whole body of delegates. Some of the resolutions merely indorse some action of the Council; others direct the Council to continue certain activities; some merely reiterate a stand previously taken on a question; some exhort the Council to greater vigilance; a few are practically expressions of regret; while occasional

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[46] Both the Chamber and the Federation endeavor to keep party politics out of convention proceedings. In the case of the Federation the constitution expressly states that "Party politics, whether they be Democratic, Republican, Socialistic, Populistic, Prohibition, or any other, shall have no place in the Conventions of the American Federation of Labor." Art. III, Sec. 8. The Chamber seeks to accomplish the same results by having the Board of Directors declare ineligible questions of that character. It may be difficult in some cases to define "party politics," but it is quite clear that neither of the groups fails to consider most of the important political questions that are before the country.

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ones have no other purpose than to explain, or answer criticisms of, measures previously acted upon.[47]

Resolutions which have been introduced in the manner indicated are referred to one or more of fourteen convention committees, usually appointed on the first day of the Convention by the President.[48] It will be remembered that the Chamber employed only one committee, that on resolutions, to consider the various proposals that came before that body. These convention committees of the Federation are constituted for the most part without reference to any particular problem or policy, and seem to be composed of leaders, selected more because of their services to the Federation, their influence with the membership, and their zeal for the work of the Federation than because of their qualifications for studying particular problems. This statement is made, not to criticize the caliber of these committee appointments, but rather to emphasize the fact that policy creation in the case of the Federation is more a matter of general than of expert concern. The Federation, in contrast to the Chamber, looks to its personal leaders rather than to staff experts for guidance, and in many cases the same individual will serve on two or more committees. In practically all cases, the members of the Executive Committee find important posts on one or more of the fourteen committees.

Another point of some significance relates to the length of time that individuals serve on particular committees. An examination of the personnel of the various committees indicates that while the composition of some committees changes more rapidly than others from year to year, the tenure of many members is a comparatively long one. Each committee usually has several members that have served on it for periods of from ten to twenty years.[49] This situation, coupled with the fact that many members serve on more than one committee, has a tendency to throw a considerable amount of responsibility for the consideration of policies upon a certain rather narrow group.

Practically all of these convention committees function only during the convention period and are restricted in their work to the consideration of the Executive Council's report and the various resolutions that are introduced. Usually before the close of the first day's session, and after the reading of a digest of the report of the Executive Council, a list of subjects based on this report is assigned by the President to the several committees mentioned.[50] It is not altogether clear just what factors determine the distribution of assignments, but committee personnel, and the judgment of the President, as well as the subject matter itself, undoubtedly are important.

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[47] It is customary for the legislative committee of the Federation to compile after each convention a summary of the actions taken.

[48] For a list of such appointments see *Proceedings*, 1927, p. 16.

[49] The legislative committee of the convention, for example, was created in 1921, and six of the fifteen members have been reappointed each year since that time. The resolutions committee, composed of fifteen members, has five members that have been reappointed at least every year since 1917. There seems to be a tendency to reappoint at least four or five members year after year on all of the committees. Three members of the resolutions committee have served since 1910.

Beginning usually about the fourth day of the convention, these committees report the resolutions and subjects that have been referred to them, and from then until the close of the convention period, most of the time of the assembly is taken up with hearing and acting upon these reports. Most of them evoke but little discussion by the delegates present and are usually approved without extensive debate. In the intervals between the presentation of reports, numerous addresses are delivered, both by trade unionists and specially invited guests. Not infrequently the Secretary of Labor, the Governor of the state in which the convention is being held, or even the President of the United States may be called upon to address the delegates.[51] The real consideration of proposals during the convention period takes place in the several committee meetings. These are generally secret, although sometimes hearings may be held and an opportunity given to those interested in a particular matter to appear before the committee.

Extra-convention activities, informal contacts, dinners, even golf—all of these have their part in the consideration of policies by the Federation during the convention period. One cannot observe the workings of a typical convention without being impressed with this fact. The time for discussion during the assemblies is necessarily short. Most of the members, being gifted orators themselves, are impatient with oratorical displays by their fellows. Many of the proposals coming before the Convention have already been more or less carefully considered by the leaders, and they are not inclined to welcome impromptu speeches from the "crowd." Except for these more informal gatherings, the rank and file of the delegates obtain but scant opportunity for expressing themselves, were they so inclined. But in quiet corners, around the dinner table, or out on sight-seeing trips, these "lesser lights" put in many an hour of earnest discussion along the lines of the subjects before the convention. One cannot observe many of the conventions of the Federation without becoming impressed with the degree of control over policies exercised by the leaders. To the outsider these leaders appear as a coterie, set off from the rank and file of delegates, deciding major questions at issue, and supporting or opposing them as a body rather than as individuals. In spite of the democratic form of the convention procedure, therefore, the very loyalty of the lower for the higher officials, the very power exercised by these higher officials, frequently discourage real expressions of opinion on the part of the mass of delegates.

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[50] For a list of these assignments in 1927, see *Proceedings*, 1927, p. 113.

[51] President Wilson on one occasion addressed the convention of the American Federation of Labor. In 1927, Hiram Johnson, Governor Young of California, and Secretary of Labor Davis, were among the speakers addressing the convention.

(b) *Committees*

Notwithstanding the more or less spectacular character of group meetings of the CONVENTION type, their importance so far as the consideration of policies is concerned is overshadowed by deliberative agencies of another sort—that is to say COMMITTEE MEETINGS. Both the Chamber and the Federation make use of committees, but the former has gone farther in developing this form of technique for the consideration of policies. We have already observed that both groups employ "convention committees," but in addition to these there are numerous committees of a more permanent character. In 1927, for example, the Chamber had twenty-eight of these committees, besides the Executive Committee of the Board of Directors.[52] The Federation, on the other hand, had only six such committees in 1925,[53] and only three in 1927.

Committees may be classified in a variety of ways, according to size, composition, functions, authority, or procedure. The Chamber Committees in 1927 ranged in size all the way from forty-nine members in the Committee on Banking and Currency to five members in the State and Local Legislation Committee. In general, the standing committees of the Federation are smaller in size than those of the Chambers, the Legislative Committee, for example, having only three members.

From the point of view of policy consideration, the personnel of these committees is important, for in a great majority of cases their recommendations or their actions are approved by the membership of the organization by large majorities. The Presidents of both organizations are, as a rule, responsible for the selection of the members of these committees and usually act upon the advice of their official staff or associates. In the case of the Chamber, where it is necessary to select hundreds of committeemen each year, the task of making these selections is by no means an easy one. In order to facilitate this work, a file of available committeemen is kept, to which are added from time to time the names of persons suggested by organization members, National Councillors, Directors, or Division Managers. This file contains also a statement of the qualifications of persons listed, the offices in the Chamber that they have held, their special interests, and the committees on which they have served.[54] In the process of constituting a particular committee from this panel, the President has to take into consideration a number of factors—the willingness of the individual to serve, his temperament, his geographical location and ability to attend meetings, as well as his interest in, and qualification for acting upon, a given problem.[55] Every effort is made to secure the services of capable, interested, and representative members, as well as persons who will work well together on the committees to which they have been assigned. An examination of the personnel of these Chamber committees reveals the remarkable success of the Chamber in securing some of the leading men in various fields to donate their services in the interests of the organization. The fact that practically none of these committee members receive any compensation for the time and work demanded of them evidences not only the widespread interest of business men in the work of the organization, but the prestige of the committee work as well. In spite of the effort made by the Chamber to secure on each committee individuals representative of the different interests and localities concerned, the difficulties entailed in trying to get together committees from all over the country and the fact that business interests are centered in certain sections make this difficult. One notes, too, that of the forty-two committees responsible for the preparation of as many reports to be submitted to the membership in the form of referenda a very large proportion of the members comes from that section of the country north of the Ohio River and east of the Mississippi, particularly from the states of New York, Illinois, Massachusetts, Connecticut, Pennsylvania, and Ohio. At least

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[52] For a list of the members of these committees see a Chamber publication entitled, *Men Who Serve You*, 1927-28.

[53] Matthew Woll, *The American Federation of Labor*, 1925.

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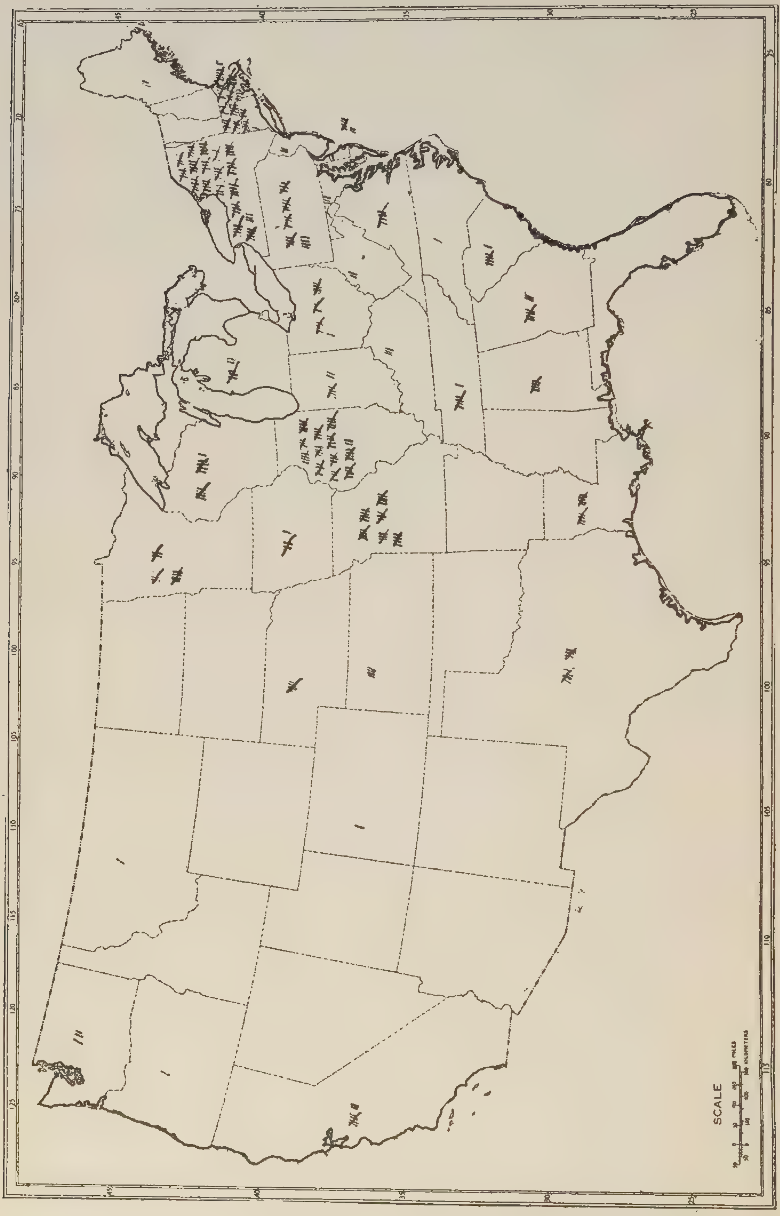
[54] Statement of Mr. Van der Vries, Division Manager, North Central Division.

[55] Mr. Defrees, former President of the Chamber, stressed the importance of getting men of the right temperament for committee work.

CHART G

GEOGRAPHICAL DISTRIBUTION OF REFERENDA COMMITTEE PERSONNEL



fourteen states never have had representatives on any of these committees, and many states have had but few. Chart G undertakes to portray the geographical representation on these forty-two committees.[56]

Notwithstanding the state's difficulty in getting prominent and capable persons to act in a legislative and deliberative capacity, group organizations do not seem to experience such difficulties. Why is it that bank presidents, industrial magnates, technical experts, college professors, railway officials, publishers, research experts, and lawyers will give of their time to the work of these groups, and yet contribute so little to the formal process of formulating state policies? Is it because they are not called upon to serve in such a capacity by the state? Is is because there is no mechanism available for making use of their services? Is it because of their disgust with politics? Or is it because they feel that service on group agency committees is, so far as their interests are concerned, more worth while and effective? Whatever the answer is, the fact remains that the business man and the wage-earner are in politics, and some of the leaders in the industrial world are actually serving the state in an effective manner, albeit somewhat indirectly. A glance at the accompanying chart, showing the industrial distribution of the members of the forty-two committees mentioned above, gives some idea of the talent from which the Chamber brings intelligence to bear upon its policies. Of the total number of persons serving on these committees, eighty-four were manufacturers, fifty-eight were bankers, forty-seven lawyers, forty-four merchants, forty-one economists, and eighteen engineers. Not all of these were members of the Chamber; and in some cases members of other groups, such as the Federation itself, were utilized.[57] Furthermore, very few members serve on more than one committee at a time, although in some instances an individual has served on as many as four committees simultaneously, but this is a distinct exception to the usual practice.

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[56] Such a situation as is depicted here may give a degree of plausibility to statements that Chamber policies represent the views of particular sections of the country only. See R. R. Ellis, "Organized Business and Government," *Twelfth Annual Report of the N.A.C.O.S.*, 1926, pp. 150-51. To this may be said that after all the final determination of policies rests with the membership and not the committees. In so far, however, as the Chamber presumes to represent the entire business group throughout the country, it would seem desirable that some technique should be discovered for correlating the geographical with the actual spread of interest on a particular subject. Mere representativeness is not the only criterion of a satisfactory policy-determining procedure, but it should have its part in the selection not only of officials but also of those more intimately associated with the formulation of policies. In the makeup of the Board of Directors and the several Departmental committees, the Chamber has sought to carry out this principle and perhaps feels that in the search for experts geographical distribution of residence is not important.

[57] Matthew Woll, Vice-President of the American Federation of Labor, served on the Chamber's Committee on Banking and Currency during 1927-1928. *Men Who Serve You*, p. 13.

The standing committees of the Federation are usually composed of officials of the organization, and seldom include representatives from outside the group. It is significant to note, however, that on numerous occasions officials of the Federation have served on committees set up by other organizations and take an active part in their deliberations.[58] The Legislative Committee and that on Education constituted the only standing committees in 1927, although the Committee on Non-Partisan Political Action was practically a permanent one. These committees usually consist of paid officers of the organization, and except for the Committee on Education are not primarily policy-formulating agencies. Of course, the number of Federation committees varies from year to year. In the case of some problems, the Executive Council is authorized by the Convention to appoint special committees and conduct special investigations. In doing this, however, the Federation is handicapped by a lack of funds with which to carry on these investigations, and also by the limited field from which to draw committee personnel.[59] Moreover, many of the members of the Federation find it exceedingly difficult to attend committee meetings, a fact which has seriously interfered with the effective consideration of policies, and which has resulted in the placing of a heavy burden upon the Executive Council. After all, the Executive Council is about the only really effective deliberative agency functioning for the Federation in the interim between annual conventions. Its relative position, therefore, in the field of policy determination is greater than that of the Board of Directors

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[58] During 1927-28, Matthew Woll served on a committee of the American Bar Association. John Frey and President Green have also served on non-Federation Committees.

[59] The report of the Executive Committee to the 1921 Convention, for example, urged the necessity for making a research study into the cost-of-living theories of wages as bases for wage determinations, and recommended that an investigation of the subject be undertaken. This proposal was approved by the Convention, and a special committee was appointed. Because financial obstacles, however, made it impossible to call committee meetings, the Executive Council decided to turn the matter over to the Executive Secretary. Still lack of funds prevented much from being done. It was soon realized that in order to assemble the facts it would be necessary to have competent agents visit offices of national labor organizations and secure the necessary data. Finally, not having members with sufficient statistical and economical training to do this, the plan was followed of sending letters to a number of university professors proposing a co-operative plan whereby the professors would use their students to go to the offices of national and international labor unions for the purpose of securing the desired information. *Proceedings*, 1922, pp. 34-36. Lack of funds makes it necessary for many of the Federation committees to conduct their investigations entirely by correspondence, as for example the special Committee on Unemployment appointed in 1921, and the present Committee on Education. *Ibid.*, p. 72.

CHART H

OCCUPATIONAL DISTRIBUTION OF CHAMBER REFERENDA COMMITTEE PERSONNEL (REFERENDA 8 TO 49 INC.)

OCCUPATION	NUMBER
Accountant	4
Agriculturist	1
Army Officer	1
Banker	58
Bishop	4
Business Manager	2
Coal Operator	4
Commissioner of Taxes	1
Contractor	3
Economist	41
Editor	7
Educator	9
Engineer	18
Exporter	5
Farmer	2
Financier	3
Forestry Expert	1
Gas Operator	1
Geologist	4
Insurance Official	2
Lawyer	47
Lumberman	4
Manufacturer	84
Merchant	44
Naval Officer	1
Organization Secretary	2
Petroleum Official	1
Public Utility Official	3
Publisher	10
Railroad Official	8
Real Estate Operator	1
Reference Librarian	1
Research Expert	4
Shipbuilder	3
Steamship Operator	5
Street Railroad Operator	1

of the Chamber. This statement is made not with the intention of minimizing the importance of the Board's deliberations, but for the purpose of emphasizing the extensive use made by the Chamber of advisory and supplementary committees.

The functions of these committees and the degree of authority which they possess vary, of course, with the subject matter with which they are dealing, the personnel, and numerous other factors. Most of the committees of the Chamber are advisory committees and are not usually given the power to act, or to commit the Chamber in any way. This is not true of the Executive Committee, however, which is sometimes given the authority to act for the Board of Directors.

The procedure followed by these committees varies, of course, with the types of problems considered, but is of sufficient interest to justify a somewhat detailed description. Both the Executive Council of the Federation and the Chamber's Board of Directors hold several meetings each year; sometimes in Washington, more often in other cities throughout the country. Not infrequently these meetings are made the occasion not only for transacting business and considering problems, but for social entertainment, publicity, and for giving the members an opportunity to become acquainted with certain conditions in a particular locality.[60] The meetings of the Executive Council are often prolonged for several days, accompanied in some instances by interviews, hearings, and conferences with labor leaders and other groups.

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[60] The following excerpts from a description of the meeting of the Board of Directors of the Chamber, held in Nashville, during the month of October, 1926, suggests typical features of such meetings:

> "On Thursday night and Friday morning, October 8, thirty-three members of the Board coming from every point of the compass arrived in Nashville." "At noon on Monday the members of the Nashville Chamber held a reception for the Board, immediately preceding a luncheon at which over 500 leading business men of Nashville attended." "At the end of the afternoon session, Board members were taken in automobiles to the Ward-Belmont School for Young Ladies. The senior class of the school having carefully looked over the members of the Board as they came in were allowed to pick their partners and take them down to dinner." "We were driven to Fisk University chapel and heard 600 students sing negro spiritual songs, ending up with 'Swing Low, Sweet Chariot'."

The Directors visited the home of Andrew Jackson, dined with the Nashville Chamber of Commerce, visited the nitrate plant at Muscle Shoals. After the meeting was over some of the Directors made more extended tours over the vicinity. In concluding the writer stated:

> "Not only was the social end of the director's meeting in Nashville more than pleasant and successful but the publicity received throughout the South was beyond our greatest expectations. . . . Moreover, since the object of a Board meeting is to transact the business of the National Chamber as well as to be entertained and entertain, it had its full meeting and transacted all the business that came before it in a most satisfactory and successful manner."
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> *Week's Work,* October 16, 1926, No. 6, pp. 1-2.

The Chamber has divided its committees into three general classes: investigating, executing, and standing committees.[61] The first of these classes is charged with the duty of investigating subjects for the purpose of submitting its findings to the Board, and is discharged as soon as its work is completed. It is furnished with a secretary, usually holds its meetings in Washington, and has available such facilities of the Chamber as it may need. Executing committees are appointed to carry into effect the views of the Chamber as expressed through referenda or through annual meeting resolutions. Service on such committees implies that the member is thoroughly in accord with the policies which are to be made effective. A standing committee is appointed for the purpose of aiding the Chamber membership in some particular field and "its activities shall be confined to its particular field and shall not extend to the inauguration of policies or the expression of views about which there may be differences amongst the membership of the Chamber." These committees report from time to time to the Board regarding matters which they feel should be submitted to the membership, and also prepare material to be sent to the Chamber constituency in special bulletins.

In attempting to arrive at some decision relative to problems before them, these committees meet frequently as a body for the purpose of discussion. In some cases joint meetings are held with other agencies.[62] Not infrequently subcommittees are appointed. In addition to the staff of experts available at Chamber headquarters and such experts as may be on the committees themselves, use is often made of specially employed experts.[63] Consultation with public officials,[64] tours of inspection,[65] and hearings held in various sections of the country are all a part of the Chamber committee procedure.[66] In the case of the Federation, the only committee of a deliberative character, the Committee on Education, conducts most of its investigations by correspondence.[67] The Chamber follows the practice of trying to have as many committees as possible meet in connection with the annual meetings, divisional meetings, and meetings of the National Councillors.[68] At the West Baden meetings of the National Councillors in 1927, more than thirty committee meetings were held.[69]

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[61] See pamphlet, *Rules Governing Committees*, published by the Chamber.

[62] "The tax committee of the Chamber, meeting here this week, decided to give full co-operation to the Joint Congressional Committee which will study the Internal Revenue System with a view to simplifying practices and procedure. A subcommittee will work out plans for co-operating." *Week's Work*, December 4, 1926, p. 4.

[63] For example, in the case of the committee on Banking and Currency in 1927, and the committee to consider the report of the Business Men's Commission on Agriculture.

[64] President O'Leary and Vice-President Ellis visited the White House on November 15 to place before President Coolidge the position of the National Chamber on business subjects which will come before the coming session of Congress. They were acting on behalf of the Executive Committee of the Chamber. *Week's Work*, November 20, 1926, p. 1.

[65] Members of the Flood Control Committee of the Chamber, upon the invitation of Governor Martineau, of Arkansas, members of the state flood commissions and the Little Rock Chamber of Commerce and the New Orleans Association of Commerce made a tour of inspection of the flood region of the South in September, 1927. *Week's Work*, Aug. 20, 1927, p. 1. For a description of the tour see *Week's Work*, Sept. 3, 1927, p. 1, Sept. 17, 1927, p. 1.

The reports or conclusions reached by these deliberative committees are usually written in the first instance by the organization staff, or some carefully chosen expert. These persons attend the committee meetings, seek to absorb the point of view of the committee members, and subsequently incorporate that point of view in the compilation of the report. The material used as a basis for these reports will ordinarily be such material as the staff or expert is able to obtain from governmental sources, other organizations, questionnaires, personal investigations, information revealed in the course of hearings, and interviews, as well as the fund of ideas pooled during the course of committee proceedings. After all, the real value of such reports depends not so much upon the character of the men who constitute the membership of the committees, their willingness to rationalize their experiences, their sincerity of purpose, or their intensity of desires, as it does upon the thoroughness and accuracy with which the few who have the initial responsibility for preparing a study do their work. It may be fairly stated that the wisdom of a policy depends upon the expertness behind it rather than upon the number of opinions that enter into its formulation. Group agencies realize this and endeavor to employ the most efficient talent available. In view of this fact, it seems advisable to consider just how these paid employees do their work, assemble their information, and arrive at their conclusions.

(c) *Experts*

Where do the employed "experts" go for their facts? Both the

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[66] This was the practice of the Business Men's Commission on agriculture, *Week's Work*, January 1, 1927; the Committee on National Forestry Policy, *Annual Report, Board of Directors*, 1922, p. 28; and the Postal Service Committee of the Chamber in its attempt to formulate demands for a revision of postal rates to be presented to Congress held meetings at which newspaper and magazine publishers', railroads', and mail users' organizations were represented. New York *Times*, Sept. 14, 1927.

[67] Letter from Miss F. C. Thorne, October 27, 1927.

[68] *Week's Work*, October 22, 1927, p. 8.

[69] *Ibid.*

Chamber and the Federation have in their own buildings a selected library under the supervision of a librarian and staff. The Federation is seeking to build up one of the best and most complete libraries in existence on the trade-union movement and has accumulated a great deal of material that is not to be found elsewhere. The Chamber's library contains extensive files of business magazines, governmental reports, special studies, some books and miscellaneous literature of practical usefulness to its staff. Complete reliance, however, is not placed upon this sort of material. The Congressional library, special research libraries, almost any fact-distributing agency may be used at times. One of the primary functions of the staffs of both organizations is the assembling of published material, especially such material as may be relevant to a given problem. Such material is then classified, organized, and digested for use at committee meetings, or for use by the membership at large. The Legal Information Bureau of the Federation and the Research Department of the Chamber, for example, spend most of their time reviewing governmental activities, digesting legislation and judicial decisions, and keeping the membership of their respective groups informed on topics of interest. Close contacts are maintained with governmental departments and other agencies, and extensive use is made of data furnished by them.[70]

Another source of information utilized by the staff is the questionnaire. This instrument for fact-finding is frequently employed, sometimes on a very elaborate scale, sometimes in the form of letters addressed to individuals for advice or information. In consequence of the fact that the Chamber has better facilities for conducting a questionnaire, it uses this mechanism more frequently than the Federation, and on a more elaborate scale. The Research Department of the Federation frequently sends out questionnaires to its member organizations and assembles data on wages, strike benefits, working conditions, membership, and similar matters of interest, publishing it in the form of a report. The officers of the Federation have often sent out series of letters to interested friends, asking for information and advice on particular problems. A notable instance of this occurred in connection with the attempt of the organization to frame suitable anti-injunction legislation.[71] In the case of the Chamber, scarcely a month passes that some members of the staff are not conducting questionnaires. For example, during the month of January, 1928, the Civic Development Department sent out a letter and questionnaire on the activities of local and State Junior Chambers of Commerce;[72] the Domestic Distribution Department assembled and analyzed data collected in this way relative to costs of distribution; and the Transportation and Communication Department a survey of the use of air mail made by business houses.

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[70] The Transportation and Communication department of the Chamber, for example, obtains information which it utilizes from as many as twenty-eight governmental and non-governmental agencies. The governmental agencies include the Interstate Commerce Commission, the Railroad Labor Board, the House and Senate Committee on Interstate Commerce, and the Emergency Fleet Corporation. *Answers to Questions of Staff Committee on Survey*, September 29, 1925.

Actual field surveys are seldom made. This is especially true in the case of the Federation where the expense involved would make such a procedure out of the question. In general, group agencies have a tendency to regard such attempts at fact-finding too slow and expensive for practical use. Moreover, the staff of either the Chamber or the Federation would be inadequate for such an undertaking. In one case, however, the Chamber was able to secure the co-operation of the Bureau of the Census in making a census of commodity distribution, and very detailed field work was done in various cities throughout the country.[73] In other instances, the Chamber, in co-operation with other organizations, has found it possible to get information by means of a survey which it would not have been able to secure perhaps through its own efforts.[74] But technique of this sort is used sparingly, and most of the research work consists of correspondence, the study of reports issued by the government or some other agency, and office work. Much of the time of the staff is devoted to continuous and careful watching of legislative, judicial, and administrative activities of the government.

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[71] See Appendix F, pp. 268-70.

[72] See Monthly Progress Reports of the Service Departments, January, 1926.

[73] In December, 1926, the Chamber's Committee on the Collection of Business Figures appointed a subcommittee to work with the Director of the Census in setting up machinery for the collection of this data. *Week's Work,* December 25, 1926, p. 5. The plan followed was to select a single American city for an intensive census, to be followed by a census survey of selected cities and regions representative of different densities of population and business activity. The cross section was to be based on schedules evolved after a study of the data gathered in the intensive one-city census. In addition to the Bureau of the Census, the Bureau of Foreign and Domestic Commerce co-operated with the Chamber in this undertaking. *Ibid.,* January 22, 1927, p. 4. Baltimore was selected as the first city to be canvassed and the Chamber printed the schedules for use in the enumeration. *Ibid.,* January 29, 1927, p. 3. Enumerators began this work in February, being sent out by the Census Bureau. The Baltimore Association of Commerce assisted, and the Chamber's Domestic Distribution Department was represented in the field on the first day of the census. *Ibid.,* February 5, 1927. This first census was completed in March, and the Domestic Distribution Department, acting for the Committee, corresponded with chambers of commerce throughout the United States as part of the plans for the preliminary census of distribution to be made in from twelve to fifteen cities. *Ibid.,* March 19, 1927, p. 2. During the first part of April, active work on the census of distribution began in Syracuse, Fargo, and Seattle. The manager of the Chamber's Department began the work in Fargo. The single-city census of Baltimore, completed by the Bureau of the Census, was summarized for business men in a report issued by the Chamber's Domestic Distribution Department. Much of the success of the work according to the Chamber was due to the whole-hearted co-operation of the Department of Commerce. *Ibid,* April 9, 1927, p. 2: August 20, 1927, p. 2.

Mention should also be made of the day-to-day contacts of staff members not only with governmental officials but with one another. Staff meetings are frequently held, and in the case of the service group take place twice each week. At these meetings the managers of the different departments give reports on what their departments have been doing, current problems are discussed, and a seminar on the major industrial questions of the day is kept in progress. The staff personnel attend numerous meetings of other organizations and in that way collect information of value in their studies.[75] And, of course, they have the benefit of discussions at annual meetings, conferences, committee meetings, and gatherings of a more informal character. The fact, however, which strikes the observer as having considerable significance is the dependence of staff agencies, and even their employed "experts" upon secondary material. Neither the Chamber nor the Federation is, even now, in a position to delve very deeply into fact-finding on a national scale. Both are dependent to a surprising extent for their information upon governmental reports. Hence the pressure brought by both organizations to have the Government, with its "unlimited resources" undertake particular investigations.[76] The peculiar value of the research work of these organizations is their ability to take dry and compendious governmental reports and popularize them, and make the information contained therein intelligible to their constituencies. Not only that, but they assist the government in many instances in deciding what research activities to undertake.

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[74] At the instance of the National Industrial Conference Board, a Business Men's Commission on Agriculture was set up jointly by the Chamber and the Board. Much of the work of this Commission was done in the field, and the staff of the Commission was composed of representatives from the staffs of both organizations. *Week's Work,* November 27, 1926, p. 1. The Manager of the Chamber's Agricultural Service arranged for the hearings, and a Professor of Economics was employed to serve as an economic adviser to the Commission. *Ibid.,* January 1, 1927, p. 1. The first of these hearings was held in New York City. *Ibid.,* January 15, 1927, p. 2. For about a year these hearings were conducted and the study made, and approximately 200 witnesses representing the different major occupational groups were consulted. *Ibid.,* November 5, 1927, p. 5. Other illustrations of co-operative field work of this character might be cited. For example, the Chamber's Insurance Department made arrangements for the pooling of technical information with the Committee on Administrative Practice of the American Public Health Association, and in addition the technicians of the Committee on Administrative Practice were placed at the disposal of the Insurance Department for co-operation in the field. *Week's Work,* October 9, 1926, p. 4. The Chamber is sometimes in a position to secure the co-operation of local chambers of commerce in conducting a survey. In this manner the Civic Development Department was able to make a survey of health and physical education in the Elementary Public Schools. *Ibid.,* October 2, 1926, p. 5. On one occasion the Insurance Department of the Chamber arranged for a dust explosion expert of the United States Department of Agriculture to visit several cities in which explosions were taking place, and advise chamber of commerce members on methods for preventing this kind of accident. *Ibid.,* January 29, 1927, p. 3.

[75] During the year 1924-25, for example, the staff of the Transportation and Communication Department attended about thirteen meetings and congresses of other organizations. "Answers to Questions of Staff Committee on Survey," September 29, 1925.

In view of this situation, the question may well arise as to how far it is desirable for groups such as these to attempt research efforts on a large scale. Might it not be better to insist that the Government, under group advice perhaps, bear the burden of these undertakings? Undoubtedly the group agencies are in a position to furnish information of inestimable value, which if pooled and correlated might yield valuable results. In the interest of national economy and completeness in results it seems highly desirable that greater efforts be made to pool these efforts and distribute the financial outlays according to some basis that will be for the interest of all the groups. On the other hand, group agencies are aware of the need for self-enlightenment, and will probably never find a time when adequate information from their point of view can be assembled by a governmental agency. Possibly more attention should be directed toward differentiating undertakings which can most profitably be undertaken by the group and those which can be served most effectively by the state.

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[76] For five years the Department of Manufacture of the Chamber urged the setting up by the Bureau of Internal Revenue of reliable rates of depreciation to apply for the various units engaged in any one line of manufacturing. *Week's Work,* 11, 2.

CHAPTER VI

CONFERENCES AND REFERENDA

1. CONFERENCES

Although both the Chamber and the Federation employ the conference method in considering policies, and participate in gatherings of this sort executed by other groups, the Chamber has gone farther, perhaps, than the Federation toward perfecting a standard technique.[1] For the sake of convenience we may classify conferences under four heads: (1) co-operative conferences in which representatives are not confined exclusively to members in the group agency; (2) conferences held under the auspices of the group agency and confined very largely to members of the group; (3) staff conferences composed almost exclusively of officials in the group's organization; and (4) informal conferences of the interview type. Each class has numerous variations depending upon the scope of the subject matter under consideration.

Co-operative conferences may be either formal or informal, local, national, or international in character, and may or may not involve the co-operation of governmental officials. Of formal international conferences in which the Chamber has participated, the Pan-American Commercial Conferences, the Economic Conference of the League of Nations, and the International Radiotelegraph Conference of 1927 are illustrative.[2] The last convened in the Chamber Building in Washington and was attended by representatives of 76 nations and colonies and 52 operating companies. President Coolidge welcomed the delegates, and Secretary Hoover, acting as chairman, opened the conference. Not infrequently representatives of the Chamber attend and co-operate in such conferences as are held under the auspices of the Institute of Politics at Williamstown, as well as meetings sponsored by such organizations as the Academy of Political and Social Science.[3] The Federation has been represented at such international conferences as the International Labor Conference, convened in Washington on October 29,

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[1] See *Conferences, Committees, Conventions, and How to Run Them,* by E. E. Hunt. See also *The Inquiry.*

[2] *Week's Work,* October 2, 1926, p. 3; April 2, 1927, p. 1; October 8, 1927, p. 3.

[3] *Ibid.,* September 18, 1926, p. 5.

1919, at the invitation of President Wilson,[4] and the Interallied Labor Conference held in London, during the month of September, 1918. In connection with the former, President Gompers served as a member of the organizing committee and assisted in formulating the provisions for the labor draft conventions which were made a part of the peace treaty.

Both organizations have taken part in conferences called by officers of the United States Government, and have been represented in the work of such meetings. On January 23, 1922, there was convened in Washington by the Secretary of Agriculture, acting for the President, a national conference on agricultural problems. Labor was represented at this conference by the President of the Federation.[5] The Federation also participated in two Industrial conferences called by President Wilson following the War, the one in 1919 and the other in 1920. The first of these conferences, which lasted for about a month, was composed of delegates grouped under three headings: labor, the public, and employers. In the second conference, labor took part only in the capacity of witnesses.[6] In addition to participation in these conferences, the Chamber has also played a part in the many conferences called by the heads of the various administrative departments of the Federal Government. During the year 1923, the Secretary of Commerce called 335 conferences, in practically all of which the Chamber was represented.[7] The Unemployment Conference held under the auspices of the Department of Commerce in 1921, and the Transportation Conference of 1922 are additional examples of Chamber and Government co-operation through the conference mechanism.

Conferences of a more informal character wherein public officials and representatives of American business meet for the discussion of common problems are almost legion, and assume varying characteristics. Members of the Chamber's staff participated in a conference held at the Department of Commerce for the purpose of discussing proposed air regulations, during October, 1926.[8] Representatives of insurance companies, air transportation companies, the American Bureau of Shipping, and many others attended this meeting.[9] The Chamber's Foreign Commerce Department assisted in arranging for an annual conference of the district and co-operative office managers of the Bureau of Foreign and Domestic Commerce in 1926, and provided facilities at Chamber headquarters for the reception and dance given by the Bureau and for an informal luncheon meeting attended by officials of the Bureau and members of the Chamber's staff. In June, 1927, a conference[10] between representatives of the National Chamber and the Department of Commerce was held for the purpose of devising methods to be used in preparing concise reports on the census of retail and wholesale business, a census which was being carried on by the Chamber in co-operation with the Census Bureau.

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[4] *Proceedings,* 1920, p. 168.

[5] *Ibid.,* 1922, p. 92.

[6] *Ibid.,* 1920, pp. 81-383.

[7] *Eleventh Annual Report,* Secretary of Commerce, 1923, p. 26.

[8] *Week's Work,* October 23, 1926, p. 3.

[9] *Ibid.,* November 13, 1926, p. 2.

In many instances the co-operation on the part of the Chamber consists merely in the sending of representatives to attend some conference directed by another organization. At a conference of the various groups working for the Senate ratification of the Turkish-American Treaty, which was held in New York on September 22, 1926, the Chamber was represented by one of the members of its staff.[11] The Insurance Department of the Chamber co-operated with the National Fire Waste Council at its meeting held at Chamber headquarters on September 29, 1926.[12] At the suggestion of the National Chamber, a former director of the Chamber attended a round-table conference in St. Louis on December 30, 1926, for the discussion of "The Economic Effects of the Restriction of Immigration."[13] The annual conference of the Chamber with the advisory committee of the National Association of Commercial Organization Secretaries was held at Chamber headquarters in February, 1927.[14] The Chamber's staff held a conference with members of the board of the American Association of Trade Executives in March, 1927.[15] Many of these conferences are informal round-table affairs, and an effort is made to secure a frank exchange of experiences. The Federation has numerous conferences of a similar character with representatives of other organizations. It is quite customary for the organization to send delegates to the Department of Labor or some other governmental agency for the purpose of conferring upon matters of mutual interest.

It is unnecessary to attempt to describe the innumerable types of informal conferences that are held between members of the staff of both the Chamber and the Federation and individuals outside the group. It is part of the duty of officials of both agencies to maintain contacts with as many sources of opinion and information as possible. Consultations with government officials, interviews with business men and labor leaders, visits and luncheons with members of other agencies, correspondence with persons in authority throughout the country and the world—all these form channels of information the importance of which can hardly be overestimated. The fact that such processes present few spectacular features does not minimize the importance of these relationships in the procedure of policy formulation.

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[10] *Ibid.*, May 28, 1927, p. 2.
[11] *Week's Work*, October 2, 1926, p. 6.
[12] *Ibid.*, p. 3
[13] *Ibid.*, December 25, 1926, p. 3.
[14] *Ibid.*, January 22, 1927, p. 3.
[15] *Ibid.*, March 19, 1927, p. 4.

The conference technique has frequently been used in recent years, especially by the Chamber, for bringing together its own membership for the consideration of policies. These conferences sponsored by the Chamber itself evidence the working out of a procedure of especial interest to the student of government in its representative and democratic aspects. The methods followed have undergone a progressive improvement and today conform to a more or less standardized practice. In some cases conference recommendations form the basis of committee reports, and the work of conferences virtually supplants the work of the committees. In other instances a Chamber committee will merely use the conference recommendations as a basis for further study and report to the Board of Directors. One of the first examples of the use of this method was at a time when the Chamber was seeking a satisfactory solution to the railroad problem facing the country at the close of the World War.[16] At the annual meeting of the Chamber in 1918, a resolution was adopted providing that the Board should arrange for a system of conferences "representative of all the interests of the nation, financial, industrial, commercial, agricultural, civic, and social, affected by transportation."[17] Certain phases of the technique of this conference may well be noted. Preparation for these conferences was placed in the hands of the Chamber's Committee on Railroads, and about forty men, representing different interests, were called together in Washington in December, 1918.[18] At the first meeting no attempt was made to reach any decisions, the sole object being to have an exchange of views. After this meeting the entire discussion was placed in print and sent to the members. Then followed the second conference in February, 1919. This time one major phase of the whole subject was made the center of discussion, but again the plan was followed of not attempting to arrive at any decision during the meeting. For the third and fourth conferences, held in March and April, a more specific program was arranged, and an attempt was made to arrive at some definite conclusions. The result was that an agreement was reached on a number of material points with a surprising degree of unanimity.[19] In all there were five meetings, each lasting two days, and twenty-two general sessions, as well as a number of sessions of subcommittees appointed to report on special phases of the transportation problem.[20]

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[16] For a description of this conference by Senator Frelinghuysen in the Senate, see *Congressional Record,* Vol. 58, Part 6, 66th Congress, 1st Session, September 13-October 4, 1919, pp. 5359 ff.

[17] *Annual Report, Board of Directors,* 1919, p. 7.

[18] The shippers' and manufacturers' point of view was represented by 7 men; the farmer's viewpoint by 3; the financial interests by 4; the views of labor by 7; the government by 3; the railroads by 6; and the social and economic aspects of the problem by 10. For a list of these see "National Transportation Conference," *Program of Reme-*

The procedure followed at this first transportation conference was changed somewhat at the second transportation conference held in January, 1924. Instead of convening the conference in a series of meetings extending over a considerable period of time, five committees and one joint subcommittee were appointed quite early in 1923, and each of these committees conducted studies for about eight months prior to the meeting of the general conference. The reports of these committees were made the basis of the discussion during this conference and of the subsequent report which it issued.[21] The members of this conference included more than one hundred leaders in the fields of agriculture, commerce, finance, labor, industry, insurance, mining, and transportation.[22]

Since these two transportation conferences, the Chamber has held or participated in a number of conferences of a similar character. The essential features of the technique followed were, however, displayed in connection with the second of the transportation gatherings. These features are: first, the appointment of several committees to study particular phases of a problem and submit reports prior to the meeting of the general conference; and secondly, the calling of a general conference to consider and act upon these reports. The Conference on Street and Highway Safety, held in Washington in December, 1924, differed only in that it was carried on in co-operation with nine other

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dial Railroad Legislation, submitted to the Committee on Interstate and Foreign Commerce of the United States House of Representatives, 1919.

[19] *Annual Report, Board of Directors,* 1919, p. 27.

[20] *Program of Remedial Railroad Legislation,* p. 3.

[21] Transportation and Communication Department, *Answers to Questions,* p. 6.

[22] Report of the Transportation Conference, January, 1924, p. 3.

National Associations under the Chairmanship of the Secretary of Commerce, and acted on the reports of eight previously appointed committees.[23] The National Conference on Distribution, sponsored by the Chamber, met in two general sessions; one in January, 1925, for the purpose of outlining the field of investigation to be covered and of setting up the machinery for conducting the inquiry, and the second in December of the same year for the purpose of acting upon the reports of six committees appointed after the first conference.[24] These general sessions were attended by more than two hundred delegates; and, at the request of the first conference, Secretary Hoover appointed the members of some of the committees.[24] As a result of these conferences, twenty-four definite recommendations were made, and two of the committees were continued for the purpose of making further studies and recommendations.

A second National Conference on Street and Highway Safety was held under the auspices of the Department of Commerce in March, 1926, but presented no new features so far as technique is concerned. The Merchant Marine Conference held in Washington in November, 1925, followed the standardized practice, and centered its attention around the reports of four specially appointed committees. In one respect, however, it exhibited a new feature. Prior to the general conference a series of regional conferences was held, covering the Far West, Middle West, and South. Local chambers of commerce were in immediate charge, and endeavored to give these meetings the aspect of round-table discussions.[25] The same procedure was followed in connection with the Chamber's initial approach to the agricultural problem in 1926 and 1927, prior to the appointment of the Business Men's Commission. In all, nine regional agricultural conferences were held in different sections of the country.[26]

In November, 1927, the Chamber held its first National Commercial Forestry Conference in Chicago,[27] and in February, 1928, a National Wholesale Conference. Neither of these conferences displayed the elaborate preparations which had characterized some of the earlier conferences, however, but the procedure conformed in general to the customary model. In the Wholesale Conference, for example, the organization of the conference and the selection of four committees took place the first day; and on the second day the committees submitted their reports and the delegates in general conference acted upon them. In other words, the procedure, which on some previous occasions had extended over eight or ten months, required only two days.

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[23] *Answers to Questions,* supra, p. 8.

[24] *Annual Report, Board of Directors,* 1926, pp. 30-34.

[25] *Annual Report, Board of Directors,* 1926, p. 29.

[26] *Week's Work,* March 26, 1927, p. 2.

[27] Congress Hotel, November 16-17.

These illustrations of the application of the conference method portray in a general fashion the evolution of the procedure followed since the first Transportation Conference in 1918. They fail, however, to bring out certain aspects of particular significance, which can be evaluated only after a more detailed inspection of the conferences themselves. For this reason it may be well to describe one of the conferences more completely. In 1921 certain associations of lumber manufacturers and paper manufacturers, organization members of the Chamber, proposed the consideration of the subject of forestry. In accordance with the provisions of the By-Laws the Board of Directors set up a Committee on National Forestry policy, composed of a lumber and box manufacturer, a former dean of the New York State School of Forestry, the vice-president of a Pacific lumber company, a university president and member of a State Forest Commission, a banker, three other lumber manufacturers, and a lawyer who had formerly been a member of the Massachusetts State Forest Commission.[28] This committee in the course of preparing its report visited the far Northwest, studied lumber developments in the South, and conducted a series of hearings in which it obtained the view of local representatives on different angles of the problem.[29] A report was submitted to the Board of Directors in May, 1923, embodying eight recommendations. The Board decided to submit this report to a referendum vote, and the result was to commit the Chamber to all the recommendations except one. The policy of the Chamber as thus formulated was incorporated in a bill introduced in Congress, known as the McNary-Clarke bill, which became law on June 7, 1924.[30]

Subsequent to the passage of this bill, the Advisory Committee of the National Resources Production Department of the Chamber reported to the Executive Committee of the Board in April, 1925, certain recommendations regarding the development of new forests by private enterprise, the more economic utilization of wood, and the further adoption of American lumber standards. In order to make the forestry policy of the Chamber more effective, the Department was authorized to call a conference of those interested in the development of new forests, for the purpose of pooling information on the whole problem and developing an interest in the working out of American lumber standards.[31]

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[28] *Referendum Pamphlet*, No. 42, pp. 1-2.

[29] *Annual Report, Board of Directors*, 1922, p. 28.

[30] *Ibid*, 1925, p. 41.

This conference, held under the auspices of the National Resources Production Department of the Chamber, convened at ten o'clock on the morning of November 10, 1927, in the Gold Room of the Congress Hotel in Chicago. In preparation for this conference, the Department made a survey of the progress and obstacles encountered by some 2,000 persons actively engaged in the work.[32] The machinery and equipment of such conferences have become more or less stereotyped. The entrance lobby and check room are supplied with the customary registers and convention tags. Here one can read the latest statistics concerning the forestry industry from pamphlets supplied by the Chamber and member organizations. In a nearby room publicity agents are busily engaged, editing and arranging releases for the daily press, and the click of machines seems even more realistic and important than the speeches in the assembly room close by. The speeches or lectures consist of short papers on a particular division of the general subject assigned for the session. Neither the speaker nor the audience displays much enthusiasm, and the calmness and deliberateness of the proceedings suggest careful planning and detailed prearrangements. The program, which lasts for two days, consists very largely of a series of sessions of this character, the delegates participating for the most part as listeners only. Finally, special committees, appointed prior to the conference, bring in their reports, and with one acclaim these are adopted.

Such is a typical conference of the Chamber type. It presents some marked contrasts to political conferences and meetings, wherein personalities rather than policies often occupy first place. In the case of the latter, oratory, vituperation, and emotionalism frequently supplant calm deliberation. Agents rather than principals are the leading actors, and the technique of consideration involves a conscious appeal to the masses as well as a reasoned determination of issues.[33] Both types of assembly, however, seem an integral part of the governmental and legislative processes of modern democracy.

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[31] *Ibid.*, pp. 41-42.

[32] *Week's Work*, July 23, 1927, p. 1.

[33] See Robert C. Brooks, *Political Parties and Electoral Problems*, Ch. XI, especially pp. 294-95.

What of the significance of these conferences in relation to the policy-determining technique of the group agency? It seems quite evident that the conference method is not used solely for the purpose of reaching the most intelligent solution of a problem. In supplementing, if not supplanting, the more usual committee procedure, including hearings, detailed expert studies, and committee discussions, it seeks to acquaint the members of the committee and the Chamber as a whole with the views of the group itself and other groups affected by the problem at issue. It endeavors to crystallize public opinion along given lines, replace hostility with co-operation, initiate programs, and solidify varying aims into a practical program.[34] This is something far different from the modest attempt to discover the best interest of the group, present to Congress suggestions for legislation to promote this interest, and allow that body to weigh and act upon the relative merits and demerits of the policy.

Although the Conference method may not be primarily concerned with the accumulation of group prudence, it does have potentialities of great value to the group if advantage is taken of them. It seems to be an axiom that the virility and permanence of any policy is determined by the number that have participated in its formulation. The Conference method may not elicit the greatest wisdom, but it does have the merit of enhancing the possibilities of actually realizing policies agreed upon.[35] The educative value of the conference method should not be minimized. Moreover, to the extent that it does bring together an adequately representative body, a group familiar with all the important phases of a problem, there is a likelihood that the conclusions finally reached by negotiation and discussion will represent more practicality than a policy arrived at by the more or less secluded reasoning of the few. And still further, the publicity attending the meeting of a Conference tends to focus attention on the problem over a wide area and to awaken general public interest in its solution.[36]

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[34] Referring to the results of the Transportation Conferences, the Transportation and Communication Department has stated:

> "To this Conference with its committee reports and findings, and the continuous publicity campaign in connection with it, have been attributed (1) crystallization of public opinion in opposition to government ownership of railroads and in favor of fair regulation under private ownership, which has given railroad management much needed support, enabling it to make remarkable improvements in service; (2) better understanding of the consolidation and railway-rates questions, preparing the way for important action on these subjects now under way or pending; (3) replacement of hostility by co-operation, to a considerable extent, between rail and motor carriers and the use of the most economic types of carriers to suit particular cases, such as motor feeders to steam and street railway lines, substitution of motor for unprofitable rail service, store-door delivery, and other uses of motors in cities to reduce rail terminal congestion; (4) initiation of a program for the sound treatment of the problem of highway finance equitable to all classes of road users and to the general public, the Chamber's work on this subject having been followed up through the National Tax Association and other bodies; (5) support for the idea of a comprehensive schedule and order of priorities for waterway improvement, and (6) improved co-ordination of rail and waterway service" *Answers to Questions*, supra, p. 7.

But the use of the conference method by the Chamber has called attention to some of its shortcomings. In the first place, the personnel of the conference may not be selected with due regard for all the interests involved. The Chamber itself has been criticized for the unrepresentative character of some of its conferences, and for its failure to give adequate attention to the interests of all those to whom the particular problem under consideration may have a direct significance.[37] Again, the temporary character of the conference, the fact that it usually meets as a group but for very short periods of time not only makes thorough and continuous consideration difficult, but also relieves the group as a whole from much of the responsibility for what is done. A more or less permanent group, such as a Board of Directors, a special or standing committee, can usually devote more intensive study to a problem and will possess a real feeling of responsibility.[38]

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[35] In one of its early reports the Board had this to say about the conference procedure:

> "This procedure for arriving at the solution of an important question in which the business interests of the country are vitally involved is cited as somewhat unique, and the experience has proved so valuable that it is well worthy of consideration for adoption in connection with other questions of like nature. In particular, it provides a safeguard against a body of business men, acting as a committee and reaching conclusions which, although logical and desirable from the point of view of business, have little or no chance of adoption because of essential divergencies from the views held by other elements of the community represented in Congress. It was not intended that the conclusions reached by the Conference should in any way be binding upon the Chamber or its committees, which in the end act from the point of view of commerce, but the committee which has taken part in the discussion has found them to be of inestimable value in arriving at conclusions for itself which will stand the test of practicability and possibility of enactment into law."
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> *Annual Report, Board of Directors,* 1919, p. 28.

[36] Secretary Hoover at the opening session of the second Transportation Conference went so far as to state that:

> "I have long held that the great solutions of American industry and commerce must come from the community itself by its own co-operative acts, that it will find far greater leadership in conferences and decision amongst all of those that are interested than it can ever find in government." *Report of the Transportation Conference,* January, 1924, p. 3.

[37] With reference to President Wilson's second Industrial Conference, convened in January, 1920, the Executive Council of the Federation stated:

> "The composition of this conference was entirely different from that of the first conference. No effort was made to secure representative groups, but on the contrary only one group was selected. This was done without any reference to representation for the labor movement, and there was no such representation." *Proceedings,* 1920, pp. 81-383.

2. REFERENDA

All of the methods for considering policies which we have described, with the exception of the Convention method, make little or no provision for the participation of all the individual members of the group in the final determination of policies. So far as these methods are concerned, the responsibility for determining policies is given over almost exclusively to officers of the organizations, or to appointed agencies. Even the Convention method itself, brought into operation only once a year, fails to bring the great mass of individuals within the group into direct contact with the policy-determining procedure. The annual meeting of the Chamber with its three or four thousand representatives, and the annual convention of the Federation with its four or five hundred delegates, comprise, after all, but a very small percentage of the individual memberships of the organizations. Many of the organizations within the Chamber are unable to be represented at these gatherings, and at best the work of these meetings must proceed with considerable haste.[39] These agencies for considering policies, which we have discussed—conventions, committees, experts, conferences—all contribute to the enlightenment of group actions, to the mobilization of group intelligence, but they fail to bring the individual member into direct relationship with a given policy, fail to give him a personal voice in its determination. Now why is it important to do this? In the first place, it is important to develop a closer feeling of mutuality within the organization. The participation of the individual member directly in the formulation of policies may not contribute very much toward greater group wisdom, but it satisfies an almost universal craving for the right of participation in the determination of policies that affect him. And whether he exercises this right or not, he usually insists that it be recognized. Moreover, direct participation in policy formulation by the individual member, the rolling up of large majorities in favor of or against a program gives great legislative weight to it. To give effect to a policy in the modern democratic state seems to require something more than the demonstration of its wisdom. Evidence of its support by a large body of citizens is equally necessary.[40] Committee meetings and conferences, or even well-attended conventions, seldom give convincing evidence of this support. Furthermore, provision for direct participation on the part of the group membership may provide a check on the assumption of dictatorial powers by a small group of leaders or elected officials.[41] And, finally, such participation gives publicity not

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[38] The American Federation of Labor has not undertaken to develop an elaborate conference procedure. Not infrequently, however, the President or the Executive Council calls together officers of national and international unions for the purpose of devising methods for executing policies, or for the purpose of conferring on new policies. An important conference of the first type convened at the call of the President in the conference room at national headquarters on February 7, 1928. This room, which had been the scene of many notable gatherings during the War, was filled to capacity. Practically all of the delegates present were important officials in some affiliated organization, and they were brought together for the purpose of joining hands in the presentation of labor's argument before the Senate Judiciary Committee, which was about to conduct hearings on the Shipstead anti-injunction bill. After a statement of the purpose of the meeting and an explanation of the procedure that was to be followed at the hearings, a few of the delegates indulged in a brief but spirited debate. The meeting closed with the perfunctory passage of a few resolutions. While every opportunity is given for free and frank discussion at these conferences, the deliberations are usually guided with astuteness by a few key men.

[39] "The other common method is procedure by resolution at annual or special meetings which, however largely attended, represent but a minority. Procedure by resolution needs no explanation or comment. It is the common form used by all bodies for expressing combined opinion, and is one of the methods used

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in arriving at politics in the name of the Chamber of Commerce of the United States. Its obvious fault is haste—lack of time for consideration. The National Chamber has its annual meeting and the delegates from the organization may by a two-thirds vote commit the Chamber. It now gathers to these meetings from 4,000 to 5,000 representative business men—truly a notable gathering, the combined voice of which is worthy of attention. But there are 1,400 organizations in the membership, and many cannot send delegates. Even those that can, generally send but a part of the number they are entitled to send. The method of proceeding by resolution is valuable, useful, and ofttimes effective, if proper machinery is available to campaign resolutions, and make them effective, but something more is needed." E. H. Goodwin, "The Referendum System of the Chamber of Commerce of the United States," *International Chamber of Commerce, Digest No.* 7, p. 1.

[40] "With the creation of the Chamber of Commerce of the United States in 1912, a new method of expressing organization opinion was sought. Both of those already mentioned have been discounted by a Congress grown wise to their significance. Legislative bodies have the regrettable but none the less inevitable tendency from the manner of their election to look to the number of voters supporting a proposition." E. H. Goodwin, *op. cit.* p. 1.

See also D. A. Skinner, *The Chamber of Commerce of the United States*, 1925, p. 8, where he states: "Less expert opinion from a large part of the membership will carry more weight with Congress than the better opinion of a small body."

[41] Referring to the merits of the referendum procedure, the Chamber's Board of Directors has stated:

"Its method of procedure, though novel, deliberate and somewhat experimental, only to the program suggested but to the organization as well. It gives it an appearance of strength and value to masses of citizens who might otherwise fail to appreciate in full the services rendered by the organization. These merits of direct participation by individual members in the formulation of policies have appeared so convincing to leaders in the Chamber that they have made much of the use of an elaborate referendum procedure.

On the other hand there are some drawbacks to the use of this method which seem to have preponderating weight with the Federation. Although proposals suggesting the use of the referendum have been made from time to time in the councils of the Federation, they have been unceremoniously squelched whenever broached.[42] Even within the affiliated organizations of the Federation, where the initiative and referendum have been used to a considerable extent, there seems to be a tendency away from their use at the present time. Since 1912 seven national and international unions have abolished the use of the initiative and referendum,[43] and five have curtailed and modified their application.[44] One of the explanations of this tendency is to be found in the fact that some of the labor leaders feel that the referendum hampers the progressive development of policies. Experience seemed to show that deep-seated conservatism on the part of members prevented the adoption of policies adequate to meet changing technical situations.[45]

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has proved its worth in preventing hasty, ill-considered action, the assumption of a few to represent and act for the many, the prevalence of sectionalism or partisanship, while generating action with proper regard to other interests and the feeling of the public." *Annual Report, Board of Directors,* 1916, p. 16.

[42] In 1919, for example, the Federation refused to adopt a resolution instructing the Executive Council to prepare and send to all international unions a model initiative and referendum provision as a suggested amendment to their various constitutions, such suggested amendment to be drawn in such a manner as would make possible the submission of any given proposition to the whole membership of the Federation. *Proceedings,* 1919, p. 353. In 1920 a similar resolution was defeated, and in 1921, referring to such a resolution, the Executive Council stated: "The resolution if concurred in would interfere in the fundamental rights of international organizations. One of the guarantees given by the American Federation of Labor to all international unions is that they should have the right to handle their own affairs and legislate for themselves." *Proceedings,* 1921, p. 428.

[43] These unions are: the Foundry Employees, the Horseshoers, the Longshoremen, the Plasterers, the Stonecutters, the Telegraphers, and the Textile Workers.

[44] These are: the Bookbinders, the Cigarmakers, the Lithographers, the Stove-Mounters, and the Tailors. It may be added that forty-four unions now employ the initiative and referendum in some form.

[45] The President of the Cigar-Makers' International Union of America, in explaining the reasons for the modification and restriction of the use of the initiative and referendum in that organization, which was done in 1927 after they had been in force for more than fifty years, has stated:

Moreover, the procedure is cumbersome and expensive. It is unsuited for facile utilization in an emergency and at times when affirmative action is imperatively needed. In the case of the Federation, however, there is still another reason for the progressive abandonment of the use of the initiative and referendum. Not infrequently these devices have been used by minority groups to embarrass the officers. Small groups, sponsoring programs which did not accord with the wishes of the leaders, would insist that these programs be submitted to a referendum vote. This placed burdens upon the leaders, made necessary new appeals, gave publicity to the wishes of these smaller groups, and seriously interfered with the activities of the leaders. It is not always an easy thing to be certain that this attitude on the part of the leaders was motivated by any other than their own interests, and yet their contentions seem to possess considerable weight. Assuming that they represent the best interests of the group, their argument that policies carefully decided upon by them should not be jeopardized at every turn by vociferous minorities seems to have some measure of truth in it. In view of the fact that political scientists have taken issue over the relative merits and shortcomings of the referendum procedure, it is not surprising that we find group agencies such as the Chamber and the Federation taking opposing views. Whereas the Federation consistently found reasons for never making use of this mechanism, the Chamber has persistently gone ahead, perfecting a referendum process that is unique, in many respects, in the history of such a technique. After describing the procedure followed, we shall examine some of the results of the Chamber practice, with a view to determining to what extent

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"The initiative and referendum system, as we now have it and apply it, may have served a certain purpose in the early bygone days. But, owing to the extraordinary economic revolutionary changes in the industry, it no longer serves any useful purpose—and I am frank to say that, under present conditions, which we must meet, it should be greatly modified, if not entirely abolished, and replaced by a system more workable and up-to-date in its application . . . Your committee has individually and collectively interviewed many officers and found no advocate of the referendum system except in a modified form. All practically agreed the convention composed of elected delegates furnishes the best means of transacting the complex, rapidly changing industrial conditions. . . . It took forty years to perfect a machine which would successfully make cigars. It caused thirty-odd suicides, and cost twenty million dollars, before success came. So many failures had occurred that the average cigarmaker had an inborn deep-seated belief that it could not be done; and when the successful machine did come with sudden and unexpected swiftness, the mass was slow and reluctant to grasp the real situation, holding tenaciously to the life-long, deep-rooted belief that the only successful way to make 'em was the old hand way." *American Federationist*, January, 1928, p. 107, and February, 1928, p. 237.

the Chamber has succeeded in overcoming some of the difficulties stressed by the Federation and familiar to students of government.

It lies within the authority of the Board of Directors of the Chamber to determine whether a given subject or set of propositions shall be submitted to the membership in a referendum, or shall be reserved for action at a general meeting. Subjects to be submitted to a referendum are initiated in a variety of ways, as is the case with any policies considered by the organization. We have already noted in a preceding section the various methods of initiation and do not need to review them at this point. The Board likewise passes upon the eligibility of the subjects proposed for referendum and applies the same criteria as for other subjects; namely, that the subjects shall be national in character, timely in importance, and general in application to business and industry.[46] After the Board of Directors, either on its own initiative or by mandate from the National Councillors or the Annual Convention, has decided that a subject shall be submitted to referendum, it is, as soon as is practicable, referred to a committee for report. This committee may be one of the regular standing committees of the organization; or, as is more often the case, it may be a special committee, appointed to make a study of this particular problem and render a report. If the report of this committee is in a form suitable for submission to the membership, the Board then orders it to be incorporated in a referendum pamphlet. It is to be observed that the Board neither approves nor disapproves the committee report in ordering it to be submitted to the membership. The organization members are asked, merely, to indicate whether they favor or oppose the recommendations of the committee.

In addition to the ballot itself, containing the list of propositions upon which the committee has agreed, the referendum pamphlet contains a statement of the reasons upon which the resolutions of the committee were based, a brief of the major arguments against the recommendations of the committee, and a short biographical description of the personnel of the committee. In some cases the negative arguments take the form of a minority report; but in general this side of the question is prepared in an artificial manner by some of the members of the Research Department. In form the referendum pamphlet presents an attractive appearance. Bound in a paper cover of some distinctive color, it usually contains, first of all, a ballot in duplicate, one of which is to be marked by the voting member and returned. Then follows as a rule a brief history of the question under consideration, followed in turn by the biographical sketches. The report proper stands next, the negative arguments appearing on alternate pages. The size of the pamphlet varies from fifteen or twenty to fifty or sixty pages, and may contain in addition to the items already mentioned certain charts or tables designed to clarify and substantiate the arguments presented. These pamphlets, which up to 1929 numbered fifty-three, present in concise form a library of briefs on some of the most important subjects of national legislation since 1912.

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[46] The rules regarding Chamber referenda may be found in By-Laws, 1927, Art. XIII.

After the form of the pamphlet has been approved, it is then transmitted to each member of the Chamber and to each National Councillor. The voting, however, is by organizations, each organization casting as many votes as it has delegates to the annual meeting. All votes to be counted must be in the hands of the General Secretary of the Chamber within forty-five days.

The organization members follow a variety of methods in reaching their decisions on propositions submitted to them in this manner. The national organization does no more than advise them as to the best procedure to follow. A study of the methods used in connection with referendum number nine, dealing with the upbuilding of the American Merchant Marine, showed that seven different schemes were followed. Fifteen organizations submitted the propositions to a regular meeting of the membership, where action upon them was taken by majority vote. Twenty-four organizations followed the same procedure except that no group acted upon the propositions until a special committee had reported on them. Twenty-seven member organizations resubmitted the propositions to a referendum vote of the membership. Seventy-one authorized action on the subjects submitted by a board of directors, board of trustees, or an executive council. Sixty-two followed this last method, but no action was taken until a specially appointed committee had made a report. Eight referred the propositions to a committee with authority to act. And in eleven instances the executive officers cast the votes for the organization.[47]

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[47] "How the Organizations Vote On a Referendum," *Nation's Business*, Vol. III, p. 7, October 15, 1925. A later analysis of methods used based on averages for ten referenda gives the following results:

	Per Cent
Vote cast by Board of Directors	31.7
Vote cast by Board of Directors after committee report	31.2

Strenuous efforts are made by the Chamber, through its Division Managers, to get out the vote on these referenda and to have the organization members really consider the propositions submitted. These organizations find it difficult to call special meetings, and expensive and difficult to conduct referenda. Moreover, the fact that the official personnel of these affiliated groups is constantly changing necessitates constant re-education on the subject of referenda. In connection with referendum number nine, to which reference has already been made, a study was made of the reasons why the fifty-nine organizations that failed to vote did not cast their ballots. This study revealed the fact that thirteen found it impossible to get the members together and looked upon the subject as being too broad for an intelligent vote. Ten others were opposed to voting because of lack of information on the propositions submitted. Nine stated that they regarded the subject matter of the referendum political in character and for that reason outside the scope of subjects that might properly be brought before the membership. Seven delayed action until too late. Seven displayed no interest in the problem and indicated their preference for representative rather than referendum action. Four said that the procedure was too formidable. Three found that they were without authority to act. And one refused to vote because of its opposition to referenda in general.[48] In other words, it appeared from this experience that approximately fifty-nine out of three hundred and forty-nine organizations failed to vote, not so much because of indifference and lack of interest, as because of their feeling that such action on their part would be unintelligent and unwise.

In order to awaken interest and get out the vote on referenda, the Chamber has inaugurated various schemes. It has strongly urged each member organization to set up legislative committees, "to see that not only the members of the local chamber or association know the problems and act upon them, but also that the local press and trade papers give

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Membership vote at meeting	9.2
Membership vote by mail	8.3
Vote cast by Executive Committee	8.3
Vote authorized by separate committee	7.8
Other methods	3.5
	100.0

See pamphlet entitled, *The National Councillor,* 1928 and article therein "The Referendum System and Methods of Voting," by W. J. Schoonover, pp. 9-20.

[48] *Ibid.* Compare Merriam and Gosnell, *Non-Voting,* Chicago, 1924.

full consideration to them for public information."[49] It undertakes to assist each organization member in conducting a referendum within its own membership by furnishing special ballots. All its machinery of publicity may be brought to bear upon the organization to stimulate interest in the subject under consideration. Division managers and secretaries keep in close touch with their constituencies and follow carefully the progress of the voting. And even after the time limit is reached and the results are published, delinquent organizations are called "on the carpet" in no uncertain terms.[50]

On the basis of its experience, the Chamber has set forth what it considers to be the best method for organization members to follow in acting upon referenda submitted to them. It suggests that such referenda should be immediately referred to a special committee appointed by the President and composed of representative, interested, competent, and influential members. This committee should then make a digest of the principal points in the report of the Chamber committee and submit this digest together with the committee recommendations to the Board or Executive Committee of the organization. This report should then be brought to the attention of the membership of the association in a special or regular meeting, or by mail, and the vote of the membership should determine the way in which the vote of the affiliated member should be cast.[51] The Chamber realizes, however, that the procedure suggested cannot be followed by all the members, in some cases because of the size of the membership, in other instances because of the time and expense involved. It strongly advises against any method, nevertheless, which leaves, either to a Board of Directors, a specially appointed Committee, or an officer of the organization the power to act for the whole group. Trade associations present a difficult problem, and the Chamber suggests in particular the advisability of calling upon the membership of such associations to vote by mail, on the basis of a digest of the referendum pamphlet as described above. In some very large trade associations it may be best, so the advice runs, to authorize the directors of such associations to act after an analysis of the referendum by a specially appointed committee.[52]

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[49] See pamphlet published by the Chamber, *Committees on National Legislation*, October, 1927.

[50] The results of referenda votes are published in pamphlet form. This pamphlet gives the vote of each affiliated organization on each of the propositions submitted, arranging the organizations alphabetically by states. These pamphlets are then sent to members of Congress, public officials, and to any one whom the Chamber considers in a position to give effect to the propositions voted upon.

[51] See a pamphlet published by the Chamber entitled, *How You Should Vote On a Referendum*, by E. H. Goodwin, particularly pp. 4-5.

This description gives some idea of the principal steps in the referenda process as it is applied by the Chamber. At the close of the forty-five-day period allowed for consideration by the members, the votes turned in are tabulated, and the results are printed. If at the expiration of this period one-third of the voting strength of the Chamber has been recorded, and two-thirds of the votes thus cast, representing at least twenty states, are in favor of the propositions submitted, or any of them, the Chamber stands committed upon them.[53] Now what have been the results of the use of the referenda mechanism and what are some of the problems that have arisen in connection with it?

In the first place, the Chamber has been faced with the problem of getting out the vote. In spite of the efforts made to obtain an expression of opinion by member organizations, and in spite of the fact that organizations rather than individuals are responsible for voting, the Chamber has experienced considerable difficulty in having its requests for votes complied with. Table IX shows the percentage of organizations voting on referenda from number eight to fifty-one inclusive, and reveals the fact that the percentage varied from 32 to 55 per cent down to 1927, when a marked increase was recorded.[54] More detailed studies of the votes cast on referenda forty-nine, fifty, and fifty-one, show the percentage of organizations voting by main geographical divisions.[55] If the votes on these last three referenda are indicative of a new trend, it seems

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[52] This latter method is followed, for example, by the American Institute of Refrigeration whose plan is as follows:

> "Our plan is briefly as follows: upon receipt of the referenda question submitted here by the Chamber of Commerce, sufficient copies are obtained so that we may send same to the Directors of this Institute, who in turn advise us as to the result of their study on the questions submitted. Upon receipt of answers from our Board of Directors, the vote of this Institute is made up. Of course, if it so happened that the referenda questions were submitted at a time immediately prior to the holding of a Directors' meeting, then the matter would be discussed at the Directors' meeting." Letter, September 14, 1927.

It should be noted that affiliated organizations do not have to cast their votes as a unit, but may split the vote according to the sentiment of the various groups within their organization.

[53] By-Laws, 1927, Art. XIII, Sec. 9.

[54] The writer was unable to obtain figures showing the exact number of organizations eligible to vote on each referendum, and was compelled to use the membership figures as given in the annual report of the Board of Directors. Were such figures available, some changes in percentages would doubtless have to be made. But for the survey purposes we have in mind these figures are accurate enough.

[55] See Table X compiled from figures given in *Week's Work*, Vol. II, Nos. 12, 14, 16.

TABLE IX

Proportion of Organizations Voting on Referenda Questions, 1914-28

Referendum Number	Organizations Voting	Total Number of Organizations	Date	Percentage
8	198	624	1914	.32
9	282	624	1915	.45
10	307	624	1915	.49
11	282	624	1915	.45
12	313	711	1916	.44
13	353	711	1916	.49
14	353	711	1916	.49
15	359	711	1916	.50
16	366	711	1916	.50
17	413	872	1917	.47
18	475	872	1917	.54
19	469	872	1917	.53
20	505	872	1917	.57
21	432	872	1917	.49
22	408	872	1917	.46
23	535	1,032	1918	.51
24	496	1,032	1918	.48
25	555	1,032	1918	.53
26	571	1,180	1919	.48
27	433	1,180	1919	.36
28	511	1,180	1919	.43
29	522	1,180	1919	.44
30	478	1,321	1920	.36
31	601	1,321	1920	.45
32	592	1,321	1920	.44
33	546	1,432	1921	.38
34	574	1,432	1921	.40
35	537	1,432	1921	.37
36	550	1,432	1921	.39
37	625	1,349	1922	.46
38	575	1,349	1922	.42
39	589	1,284	1923	.45
40	584	1,284	1923	.45
41	567	1,284	1923	.44
42	717	1,284	1923	.55
43	641	1,307	1924	.49
44	689	1,331	1925	.51
45	715	1,331	1925	.53
46	720	1,331	1925	.54
47	706	1,453	1926	.48
48	604	1,453	1926	.41
49	808	1,453	1926	.55
50	1,112	1,516	1927	.73
51	1,053	1,516	1927	.69

that the organization is approximating some measure of success in its drive for votes. We have already observed some of the reasons why organizations fail to vote, and it is safe to say that those reasons are as applicable today as they were in 1915. In view of the fact that many organizations feel that they are not in a position to vote intelligently on the propositions,[56] it may be well to note some of the results of the voting during the past twelve years. One of the striking things revealed by the referenda votes on propositions is the overwhelming majorities by which affiliated organizations approve the committee reports. With few exceptions, practically every proposition of every referendum is approved, not only by the two-thirds majority necessary to commit the organization, but by almost unanimous vote. An examination of the votes on propositions contained in referenda numbers eight to forty-nine inclusive shows that in only twenty-four instances, out of a possible two hundred and seventy, did specific recommendations fail to obtain the necessary two-thirds vote.

TABLE X

PROPORTION OF ORGANIZATIONS VOTING ON REFERENDA 49, 50, AND 51 BY MAIN GEOGRAPHICAL DIVISIONS

DIVISIONS	ORGANIZATIONS ELIGIBLE TO VOTE			ORGANIZATIONS VOTING			PERCENTAGE VOTING		
	(49)	(50)	(51)	(49)	(50)	(51)	(49)	(50)	(51)
Northern Central . .	389	401	405	276	333	340	.71	.83	.84
Southern Central . .	185	187	195	108	145	163	.58	.78	.84
Western	165	191	195	78	145	133	.47	.76	.68
Eastern	603	671	680	343	484	411	.57	.72	.61
U. S. Territories . .	. . .	13	15	. . .	3	3	. . .	.23	.20
Foreign	. . .	21	21	. . .	2	3	. . .	.10	.14
Entire Membership	. . .	1,484	1,511	. . .	1,112	1,053	. . .	.75	.70

There are doubtless many reasons for this apparent solidarity of opinion on referendum propositions. In the first place, the recommendations of Chamber committees, being as they are crystallized reflections of existing business attitudes, are not calculated to stir up much real opposition, even though organization members should presume to attempt to veto the "expert" recommendations. In the second place, few organizations would presume to pass judgment upon a series of recommendations submitted by a committee that has probably given the subject matter of the referendum far more thorough consideration than they as organizations could hope to give it in forty-five days. Moreover, many of the propositions are couched in such a manner as to conceal their real import, or are stated in such general terms as to raise no real issues.[57] Again, there will always be a number of "yes-yes" members that find it easiest to follow the course of least resistance and approve the committee recommendations. The time allowed is so short that there is little opportunity for discussion, investigation, counter-proposals, and the like. In fact, so far as real consideration of policies is concerned, the referendum procedure at its best leaves much to be desired. In many cases the problems raised seem either remote or obscure, or so complex and intricate that organizations experience only academic interest in them.[58] Although each of the referenda pamphlets contains discussions of both sides of the questions, it is doubtful whether the carefully prepared arguments in opposition to the Committee proposals ever receive much detailed consideration. The absence of any real, vigorous opposition by interested groups is not conducive to the most adequate consideration of debatable resolutions.[59]

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[56] The American National Retail Jewelers' Association in lieu of a vote upon one of the recent referenda made the following statement:

> "It is our opinion that we, as an organization member of the United States Chamber of Commerce, are incapable of rendering intelligent votes upon the eleven questions set forth in Referendum No. 49, unless the proposals contained therein are made the subject of serious and thorough discussions on the part of all organizations, during such meeting of the Chamber as a whole as might be called for that purpose. It is our belief that in order to arrive at a comprehensive understanding of the far-reaching and important questions of taxation such as proposed in the referendum, at least a year of such discussion is required. The scope of the proposals is great. It involves so many vital issues other than those of a theoretical nature that forty-five days of study by organizations acting separately is a vastly insufficient time in which to arrive at conclusions that would be of any value, either to organization members themselves, or to the National Chamber." *Referendum Bulletin, No.* 49, p. 28.

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[57] A few propositions may be cited illustrating the difficulties of interpretation:

"There should be Federal legislation permitting the maintenance of resale prices, under *proper* restrictions, on identified merchandise for voluntary purchase, made and sold under *competitive conditions*." Referendum No. 13. Proposition 1.

"The Committee recommends *liberal* Federal appropriations for promotion of vocational education in the United States." Referendum No. 14, Proposition 1.

"The Committee recommends that, for the preservation of the peace and honor of the United States, the National defense forces both on sea and land *should be so increased* and the industrial resources so co-ordinated as to make fully available the military, industrial, and financial strength of the nation." Referendum No. 15, Proposition 1. Italics by the writer.

[58] "You understand, of course, that in this letter I have been referring to referenda on questions within our own organization and not to the referenda referred to us through the year by the Chamber of Commerce of the United States. Our Association has not taken much part in these as they seem to be of only academic interest to the farm paper publishing industry." Letter from the Secretary of the Agricultural Publishers Association, September 14, 1927.

It would be very instructive to have figures showing the percentage of the individual members of the several organizations that actually vote. The writer was unable to secure these, however. It should be noted that in only a small percentage of the member organizations are individuals asked to vote, a special or standing committee often casting the vote of the organization.

[59] On at least one occasion opposition to the recommendations of the Chamber committee took the form of a spirited contest with another organization rather than the

As a part of the mechanism of group legislation, therefore, the referendum has several noteworthy shortcomings. It does not insure intelligent consideration by the membership, due to the reasons that have already been mentioned. It is an expensive undertaking,[60] rather cumbersome and cannot be used with great facility in an emergency.[61] It does not always reveal a clear expression of the views of the members, and actions on referenda have to be extensively interpreted by the Board of Directors.[62] Why then does the Chamber continue to use it, when it is quite clear that the leaders in the organization are aware of its shortcomings? The answer to this question has been given on several occasions by the officers of the organization. On one occasion the Board of Directors stated:

> The strongest argument for a democratic rather than a mere representative action on referendum questions lies in the fact that Congress, as experience has abundantly proved, is particularly solicitous in learning how widespread the participation in the voting has been, and bases its attention as to the results largely on the answer. However strongly a member organization may be impressed with the idea that its Board of Directors was elected to deal with such questions for the membership, and that better considered results are obtained through first committee and then Board determination, it should be willing to yield its point of view to some extent in order to make effective its decision.[63]

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mere presentation of written arguments by the Chamber's staff. The result of this activity showed itself in the size of the vote cast, and the closeness of the vote as well. Supporters of bonus legislation had challenged the Chamber's position on that issue as being misrepresentative of the views of the majority of the membership. It was finally decided, after a series of conferences between representatives of veteran organizations and a special committee of the Board, to submit propositions contained in the declarations of the annual meeting of 1921 to the organizations in a referendum vote. In commenting on the character of the consideration given to this referendum, the Board of Directors stated:

> "Probably in no other referendum of the Chamber have the organization members been in a better position to know and weigh the arguments pro and con on the issue presented. While the officers of the Chamber, as is the invariable rule, made no effort whatsoever to affect in any way the judgment of the voting membership, the advocates of the cash bonus feature, notably representatives of veteran organizations, vigorously campaigned among our membership for the cash bonus above all else. The ex-soldier was represented in large numbers in the membership of the voting organizations and in many instances served on committees to whom the referendum was referred by the organizations." *Annual Report, Board of Directors*, 1922, pp. 24-25.

This incident was rather unusual, however.

[60] The Chamber has estimated that the cost of each referendum amounts to about five thousand dollars. *Annual Report, Board of Directors*, 1919, p. 50.

[61] *Ibid.*, 1918, p. 27.

[62] *Ibid.*

[63] *Annual Report, Board of Directors*, 1917, pp. 11-12.

And the same viewpoint was expressed by one of the officers of the Chamber when he said as indicated above, that "less expert opinion from a large part of the membership will carry more weight with Congress than the better opinion of a small body."

Sifting the fundamental from the incidental reasons for the use of the referendum procedure, one is forced to the conclusion that its real value lies in the influence it exerts or is supposed to exert upon congressional action, and in the publicity it gives to Chamber proposals, rather than in the contribution such a mechanism renders to the enlightenment of group policies. It seems to be used primarily for the purpose of strengthening the position of the organization in its dealings with the government. As a check upon officials, and as a means for extending individual participation in the consideration of policies, it has doubtful value. The votes of the member organizations evidence no real analysis of issues or careful weighing of different sides to the questions submitted. The question may well arise whether it would not be better to refer to the referendum procedure as a method for making policies effective rather than to look upon it as an important part of the policy-determining technique.

What, then, shall be said for and against this device as a group technique to be generalized among interest groups generally? Some Congressmen find the tabulation of referendum votes helpful to them in their legislative work.[64] Others, however, discount its value for some of the reasons suggested.[65] So far as the group agencies themselves are concerned, it possesses certain merits of a practical character in that it seems to be a valuable instrument of warfare in the arena of unofficial agencies. It also tends to give publicity to problems of significance to the nation, and probably does awaken on the part of some individuals an interest in such problems that would not be awakened without it. But from the public point of view, as well as from the group membership point of view, it possesses some elements of danger. If it is used merely as a device for clothing the selfish interests of the few with a cloak of votes seemingly expressive of intelligent group opinion, it may serve to distract the legislator from the consideration of the real merits of proposals. To generalize this procedure throughout the network of social and economic groups might not lead to more enlightened leadership or legislation; and, in so far as it represented merely the expression of superficial opinion, it might well result in endless confusion, leading to legislation by numbers rather than reason.

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[64] The Chamber has called attention to this on several occasions. On one occasion it was stated:

> "Communications giving the Chamber's position on legislative questions get a surprising amount of attention when they reach Capitol Hill. A check-up of recent letters sent to senators and representatives dealing with current subjects shows that a large number of those who received them went to some pains in studying the Chamber's proposals. In past years many Congressmen merely acknowledged receipt of the Chamber's communications. Now, however, in responding they are giving at length their reactions, making clear that considerable importance is attached to what the Chamber has to say." *Week's Work*, No. 13, p. 3. See also No. 22 p. 4.
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> In the issue for January 14, 1928, it is stated:
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> "Members of Congress are more and more realizing the value of the referendum method for obtaining business opinion and are having brought to their attention the character of the men who serve on Chamber committees."

[65] The writer, in the course of conversations with Congressmen, discovered that many who were not sympathetic with the business viewpoint were inclined to minimize the usefulness of the referenda.

3. SUMMARY

This brings us to the end of a rather detailed description of the legislative process of these two great special-interest groups. It is doubtful whether any other group agencies of an unofficially governmental character have gone so far in attempting to work out a policy-determining technique as the Chamber and the Federation.[66] Our examination reveals the wide variety of sources from which the policies of these two organizations come. The Federation encourages the presentation of ideas at yearly conventions, but through its Executive Committee carefully sifts and checks the progress of those deemed inexpedient. The Chamber relies upon its Board of Directors to limit consideration by the membership of proposals that do not fall within the scope of the organization. At the same time that both organizations endeavor to stimulate the initiative of the members, effective control over the advancement of policies beyond their initial stages devolves upon the leaders, and policies which they do not approve are disposed of rather summarily.

Ostensibly for the purpose of deliberating upon programs and policies, both organizations make use of conventions, committees, conferences, and experts. In general such consideration has for its primary purpose the harmonization of opinions, the rationalization of interests, and the further solidification of the group membership, rather than the purification of group intelligence through the unrelenting search for truth. The annual conventions are democratic in character and generally fairly representative of the interests of the organization. The larger organization members of the Chamber are slightly under-represented in these conventions, whereas in the annual meetings of the Federation the larger unions tend to wield disproportionate power. In neither case, however, is representation noticeably undemocratic.

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[66] E. P. Herring, *Group Representation Before Congress,* Institute for Government Research, 1928.

Both organizations make extensive use of committees composed of group members. The committees of the Federation, however, are fewer in size, and because of interlocking memberships and relatively long terms of service tend to gravitate into the control of a small number of leaders. The committees of the Chamber number fifty or more, are in many cases permanent, and seem to be more representative of a variety of interests within the group. Apparently they find it difficult to meet together as a body, and much of the actual committee work is done by the staff in Washington.

Both organizations have come to realize the importance of and necessity for a staff of experts, whose work may supplement the hasty, and often ill-considered deliberations of conventions and committees. Experts supply an ever ready source of suggestions, prepare statistical proof in support of rationalized interests, and often enlighten the self-interest and public interest of the group organization. The Chamber has been in a position to finance an elaborate organization of service experts who devote their time to supplying Chamber members with desired information, conducting investigations, and publishing reports. Oftentimes the value of these reports is considerably restricted by reason of their limited scope and the special-purpose character of their objectives.

The Chamber has made an extensive use of conferences, developing a technique which has become more or less standardized. Special committees are constituted prior to the conference; reports are prepared; and these are considered and passed upon by the conference in a series of sessions each of which usually deals with a particular report. As a deliberative body the conference leaves much to be desired. It often fails to provide for the adequate representation of all interested groups; it proceeds in its work with too great dispatch; and not infrequently programs are "railroaded" through in accordance with the wishes of a few. It does give publicity to group programs, however; it serves to crystallize the opinion of the group and to inform the members; and indirectly facilitates the carrying out of policies.

The referendum system employed by the Chamber finds no counterpart in the case of the Federation. In fact, many of the member organizations of the Federation are giving it up. The Chamber seems to find it especially valuable in arousing interest on the part of the membership in particular issues; determining the sentiment of the membership; and in bringing pressure to bear upon legislators and public officials. From 32 to 55 per cent of the organizations within the Chamber participate in these referenda; but the wholesale ratification of committee recommendations, along with the perfunctory methods of voting employed by a great many member organizations weakens the efficiency of the system. A large proportion of the organization members have committees or officers cast their votes and individuals do not participate directly. This is not to say that the results of the referenda fail to evidence the real desires of the business group, however. Indeed the committee's recommendations are usually shrewd estimations of what the group membership thinks, and in most cases do not depend for their forcibleness upon the referenda.

One may also observe a growing demand on the part of these group agencies for self-government; a desire to supplant governmental legislation by group regulations in their respective fields.[67] This demand proceeds on the assumption that the legislative mechanism of the group is better adapted to meet its needs than is that of the state. But such proposals raise serious questions, of interest to group and state alike. Has the policy-determining technique of any body, even that of the Chamber and the Federation, reached that stage of perfection where it is able to give effect to real, enlightened group self-interest? Is there such a thing as group self-interest irrespective of the interests of other groups? If not, is any group in a position to say the last word on any social question? One of the most difficult things, it would seem, in the realm of group activities and group legislation, is to bring group agencies to the point of giving adequate recognition to the claims of other groups. The inter-relations and inter-dependencies of modern industrial society seem to make ever more necessary a careful weighing and balancing of the several groups interests. Organizations, such as the Chamber and the Federation, have undoubtedly arisen in response to a real need. Groups in defining that need in terms of legislative autonomy may have lost sight of a more important and perhaps more significant task.

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[67] See pamphlets published by the Chamber: *Principles of Business Conduct; The Responsibility of the Business Man to His Government* by L. E. Pierson; *Trade Abuses* and *Self Regulation by Business* by Edwin B. Parker; also an address delivered at the sixth annual meeting of the Conference of American Executives, entitled, "Tendencies of the Government to Absorb Association Activities," by W. D. Jamieson, March 9, 1928.

IV. EXECUTION OF POLICIES

CHAPTER VII

INFLUENCING PUBLIC POLICY AND ELECTIONS

Group agencies, such as the American Federation of Labor and the Chamber of Commerce of the United States, arise, as we have seen, in response to some common interest of the membership. The cohesiveness and longevity of the organization depend to a large extent upon the degree to which such interests are furthered and satisfied. Some can be realized directly by services to the group members, but more often it is necessary to mobilize the influence of the group for the purpose of altering or molding outside institutions or traditions. The simultaneous attempt on the part of many groups so to extend their influence leads to a type of competition that affects not only the membership of the several groups, but also the community generally. The government itself feels the impact of these group forces, and in the interest of self-preservation tries to harmonize and adjust the conflicting aims. This necessitates an evaluation of group pressures which is often very difficult. As one of our Congressmen has stated in a recently published article:

> The group organizations are of value. Their resources of specialized fact and their experts are available for the information of congressional committees. Their publicity machinery enables them to present, in some measure at least, the views of the national group represented. The questions for the members to decide are: What weight shall I give the showing made by the group organization? Does it present a fair reflection of the opinion of the majority of the individuals of the group, or is it planted opinion made to order by the propaganda machinery of the organization? Am I in danger of mistaking noise for numbers? [1]

Before undertaking to describe the methods used by the Federation and the Chamber in carrying out their policies, it will be profitable to consider some of the implications of these group activities. What are some of the reasons why one group exercises more influence than others? Can the influence of a group be measured? Is it possible to determine what the influence of a group should be?

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[1] W. P. Helm, "Business Asks More of Government," *Nation's Business*, June, 1927, p. 24.

1. Factors Affecting Group Influence

Assuming the existence of a definite policy formulated by a given group, what factors determine the likelihood of that policy's being made a part of the institutional structure of the State? Three such factors engage our attention: the nature of the group itself, the technique which the group utilizes in attempting to carry out its program, and finally the character of the political, social, and economic environment in which its activities take place, including, of course, the status and activities of other groups. The ultimate success of any group policy is largely predicated upon these three factors, each of which is capable of almost unlimited variation. No matter how intelligent or expert a group decision may be, no matter how far-reaching the consequences of such a decision may be, the possibility of ultimate crystallization into group or community practice, while depending in part upon circumstances within the control of the group, nevertheless inevitably encounters conditions that cannot be so controlled. What influence a group has, therefore, may be explained by a consideration of the above factors; what it ought to be can only be judged by a proper evaluation of these factors in a particular instance, that is to say, by a comparative study of the nature of groups at a given time, a critique of the group methods of applying pressure on institutions outside the group, and finally an examination of surrounding conditions that make for or against fair group competiton. It is obvious that the problem of properly evaluating group influence is a complicated and difficult one. If the government is to preserve an equitable balance among the numerous organized forces, it cannot look solely to any one of these three factors; it must take all three into consideration. It is the aim of this section to show some of the possibilities and some of the difficulties of, and limits to, this balancing process.

We have said that the nature of the group itself has an important bearing upon the outcome of the application of group pressure for the purpose of attaining predetermined objectives. But what do we mean by the nature of a group? There is first of all its numerical size, which can be statistically determined; in the second place, the wealth of the organization, which is also capable of approximate measurement; thirdly, the intelligence of the agency taken as a whole, which can only be conjectured; and in the fourth place, the ideals or objectives of the organization membership, which have to be generalized from the statements and practices of the group agency. Thus at the start we are faced with the apparent impossibility of discovering what the group really is. Even though we could reduce the above criteria to precise measurement, we should be omitting from our analysis such important elements as the geographical distribution of group membership, psychological and cultural inheritances, occupations and interests outside the group, cohesiveness, and similar characteristics which differentiate groups and predetermine in many cases their external influence.

The problem of weighing the relative characteristics of different groups in order to determine their nature is obviously a baffling one. Much the same problem presents itself in the international field when students attempt to go beyond the equality-of-states myth and work out a satisfactory basis for allocating states within the structure of an international organization. In the League of Nations a distinction is made between the Great Powers and the rank and file of member states. That the result approximates the relative military strength of the member states may be taken for granted perhaps, but it is very doubtful whether anyone could prove beyond the shadow of a doubt the nature and the adequacy of the criteria used in this allocation process. In the case of such international agencies as the International Postal Union, wherein each member of the organization receives a definite and to some extent measurable service, such an item as this amount of service might conceivably be used as a basis for distributing expenses among the members; but this would not be answering the crucial question as to how states or groups should be ranked in their totality. The authors of the plan for functional representation in Germany were faced with much the same problem when they attempted to apportion representation in the Economic Council among the several economic bodies within the State. It proved to be almost impossible to decide upon the particular characteristics which should be used for this differentiating purpose, and it appears to be a stroke of diplomatic and conciliatory genius that the several groups were finally brought together on the more or less arbitrary basis decided upon. The fact that the Council was to have merely advisory powers in any case probably accounted for the ultimate acquiescence of the group leaders.[2]

Some have suggested that the basic differential in the case of social and economic groups is the group contribution to social or national income. Analysis of this criterion immediately draws attention to the crisscross maze into which group life has fallen. On the one hand there exists what may be called vertical groups whose constituency seems to cut across the economic life of a people from top to bottom. Such groups include both employers and employees, and in some cases consumers of a given product or combination of products. Taking such divisions by themselves, a basic differential and one that could be measured with considerable accuracy would be the value of the goods produced. But on the other hand you have class organizations that may be said to cut across national and international life horizontally. The products of such groups, or the services rendered, cannot be segregated. One group is a complement or supplement to other groups, and any given product is the resultant of their combined activity. Between these horizontal and vertical extremes there are innumerable variations which make impossible the accurate distinguishing of groups on the bases of the value of their products or services. The Federation and the Chamber evidence, so far as their internal structure is concerned, many of the possible varieties of group alignments. In the Federation there are horizontal unions cutting across businesses on trade lines. There exist also central unions bringing together representatives of different employee levels on a geographical basis. In the Chamber there are trade associations made up of employers from similar industries in different sections of the country, and at the same time local chambers of commerce composed of employers in different occupations organized on a local geographical basis. Both the Federation and the Chamber have been faced with the difficult problem of discovering a satisfactory basis for assigning representative weight to their member organizations, and the jurisdictional strife, within the Federation particularly, demonstrates how difficult it is to reach an equitable solution.

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[2] See Herman Finer, *Representative Government and a Parliament of Industry,* 1923.

Is it possible, therefore, to predetermine group influence from an analysis of its nature, and from that determine what such influence should be? One is forced to the conclusion that this cannot be done satisfactorily at a given time, and much less so over a lengthy period. Any attempt to institutionalize groups—that is to say, establish a rigid governmental framework in which each group according to its nature has a definitely weighted influence—will most certainly lead to dissatisfaction and at critical times to the use of force. In that extremity the outcome would doubtless indicate the relative weight of the combined elements constituting the nature of the group. The only way to avoid such a resort to force would be to make it perfectly clear that every law and institution set up by the state reflects clearly what would have been the result had force of arms been resorted to. Legislation that is not backed by effective force, or public opinion if one chooses, can be only the expression of pious wishes and unattainable ideals. In view of the fluctuating character of the elements and the nature of groups and the difficulty of determining any basic differential for devising a formula to adjust group influence, the conclusion is reached that the ultimate crystallization of competing group desires must devolve as at present upon a government whose basis of representation is largely geographical, a territorial unit of comparative fixity, the fluctuating interests of whose residents will not jeopardize the basic governmental structure. If the nature of groups cannot be reduced to elements that have a common denominator and the equitable relative influence of each group predetermined, how is the territorial agent of the state sovereign to harmonize group desires fairly? It must be clear that this task is a continuing one in which the state must take account in as comprehensive a manner as possible not only of the nature of the group, but, in addition, of the nature of the program itself and its relevancy to an intelligent solution of the problem at hand. We have already noted in a previous chapter the need for mobilizing group intelligence in the formation of a policy. We now turn to a consideration of the technique used by the group in advising the state of its desires. What is the technique? Is it calculated to assist or to confuse the legislator or administrator in his attempt to perform his duties wisely?

2. THE MODERN TECHNIQUE OF EXERTING GROUP PRESSURE

The methods now in use by group organizations in this country for the purpose of carrying out their policies and programs would do credit to any Machiavellian realist in the field of artistic politics. We shall not be concerned with those crude methods of applying external group pressure such as bribery, intimidation, and various other forms of corruption that have always been more or less in evidence. In spite of some glaring exceptions to the contrary, the fact is that today they are not the generally accepted vogue but seem rather to be the instruments of last resort for those that have not mastered the finer technique of applying group pressure. Specialists in this field have developed, and from them it is now possible for any group to be advised of, the latest legal methods that are calculated to produce results. In order to illustrate the finesse and completeness with which such specialists have gone into this subject, it may be worth while to quote at length from a speech delivered at a recent meeting of the National Association of Commercial Organization Secretaries, held at Kansas City, Missouri, during October, 1925. The speaker, who was an executive secretary of a New England Chamber of Commerce, in discussing the subject of "Practical Methods in Dealing with Legislative Matters," said:

> In carrying out the policy of the organization the following methods are suggested: First—appearing at legislative hearings. This method should be employed when the subject is of considerable importance and the organization has some definite constructive information to impart. Secondly—notifying the legislators from the district served by the Chamber. This method should be employed with practically all bills on which a Chamber acts. This should be usually done in writing but when the question is of unusual importance it should be followed up by personal interviews, or, better than that, through conferences. Thirdly—notifying the legislative committee by letter. This method may well be employed when the question is of ordinary importance or of such general interest that the public is familiar with the facts and arguments. Fourthly—presenting the case to the Governor. This method should be employed only in extreme cases, and only when the legislature has acted contrary to the Chamber's position. This should be done by personal interview or petition, immediately after final action by the House or Senate has been taken, and before the Governor has approved or vetoed the bill in question.[3]

And later, in referring to the conference technique suggested above, the speaker said:

> In such conferences these legislators should be invited to confer with a group from the Chamber made up of the officers and the chairmen of the various committees that have passed upon bills to be considered. The legislators should be told of the position taken by the Chamber on each bill, and be given the reasons in full, and their support should be requested not demanded. Their advice and suggestions should be asked. Nothing should be done in connection with a conference of this kind to embarrass the legislators by suggesting that a secret conference had been held for the purpose of improperly influencing them. Newspapers should be given notice when these conferences are to be held and under some conditions it might be desirable to have the reporters present at the conference.[4]

Another speaker in commenting upon this same subject gave this choice bit of expert advice:

> Cultivate your legislators, take them into your confidence and endeavor to establish their confidence in your organization. A dinner to your Mayor

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[3] A. H. Andrews, "Practical Methods in Dealing with Legislative Matter," *Eleventh Annual Report of the National Association of Commercial Organization Secretaries*, October, 1925, p. 225.

[4] *Ibid.*, pp. 230 ff.

> and Board of Aldermen, to your County Representatives, to your Congressmen and Senators, will help. Let your representative advise you and make him feel that you appreciate it. Get other organizations to speak for you. Get them to indorse your project and send a representative to present their phase of the case before important conferences or hearings. Get at the big fellows back of the scenes of legislative enactment, if necessary. Be ready with some alternative and compromise if necessary. After the policy of your Chamber toward certain legislation is clearly defined, plan carefully your program of action. Secure the keenest men in your city to serve on your committee that appears before executive heads and committees of Congress or the general assembly. Prior to your hearing call a conference of your state senators and representatives—lay your brief before them—get their advice and suggestions—invite them to be present at the hearing. If a head of the executive department is to be summoned before the hearing—lay your proposition before him and get his approval if you can. Prior to the hearing supply members of the Congressional Committee with copies of your brief. Release at this time copies to your local papers—play up to the Washington correspondents of your local and state newspapers. Avoid too frequent appearance before either State or National legislatures, if you want to be successful on important legislation. Pick out the big projects that are worth while and strike hard when you strike.[4]

A review of the above analysis of what group technique should be, by one intimately associated with the practical side of a group's external methods, reveals not only the wide variety of methods employed but also the thoughtfulness and diligence with which the process of commanding outside attention has been developed. Why the necessity for such elaborate psychological analyses of legislators and the public? Why the need for planted conferences and dinners? The speaker who made the above statements which have been quoted at length answered the questions as follows:

> Of whom are our legislative bodies made up as a whole? From ordinary human beings of average intelligence, possessing no unusual knowledge of the subjects with which they are to deal.
>
> Who elects them? The great mass of ordinary human beings who have the privilege of voting.
>
> What controls legislative bodies as a whole? The interpretation of its members of how the people in the particular district they represent will vote.[5]

Without going into the question of whether this analysis of the situation is accurate and inclusive, it must be admitted that the suggestions made by the speaker are being followed not only by the Chamber of Commerce of the United States and the American Federation of Labor but also by most of the other group agencies in this country. It may be true, as many writers have pointed out, that legislators are not really acquainted with the interests of the Nation, that they are not expert, and that not only are minorities frequently shut out from participation in the formulation of policies, but large influential interests, by reason of the territorial basis on which our legislative bodies are constructed, are also denied their equitable weight in the nation's deliberations. But what sort of a technique are groups developing to carry out their programs? Are such methods as these agencies are utilizing calculated to bring forth what intelligence our existing representative system is capable of? Perhaps a more or less detailed study of the devices employed by the Chamber and the Federation will be suggestive.

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[5] *Ibid.*, p. 218.

Both group agencies make extensive use of certain devices for developing outside interest in their programs and influencing officials of the state. Each of the two groups, however, has its own list of special devices on which it concentrates more or less. The following table is an attempt to classify the techniques of the two groups according to whether both groups make use of them, or only one. Such a classification cannot, of course, be a rigid one, but it is submitted as suggesting in general what is done.

A. Methods used by both Chamber and Federation

  1. General Publicity
  2. Letters to Congressmen
  3. Legislative Committees
  4. Presence at Legislative Hearings
  5. Conferences with Legislators
  6. Interviews with President
  7. Co-operation with Administrative Agencies

B. Additional methods stressed by Federation

  1. Non-partisan political campaigns
  2. Attendance at party conventions
  3. Supporting officials at elections
  4. Drafting bills
  5. Legislative agents
  6. Selecting congressional committee personnel
  7. Publication of roll-calls

C. Additional methods stressed by Chamber

  1. Referenda
  2. Calling of Nation-Wide Conferences
  3. Circulation of referenda pamphlets

The several methods enumerated are not offered as a complete list of all the devices employed but they probably constitute the principal ones. Perhaps the most outstanding difference between the two organizations, so far as pressure technique is concerned, is the greater emphasis placed by the Federation on political campaigns and the election of state officials favorable to labor. Attempts to organize a labor party have been regularly denounced by the organization, but there can be no doubt as to the influence of the agency upon particular candidacies. The Chamber, on the other hand, seems to lay particular stress upon the conference and referenda methods as instruments for creating a public opinion favorable to a given measure or policy and thence relies upon the interest so created to bring about the proper attitude on the part of state officials and legislators. Both organizations are in close touch with public affairs at all times, and their pressure is felt not only by the legislators but also by the executive and administrative officials on whom the burden now falls as never before of making a specific legislative pronouncement a reality. These unofficial agencies are not political parties which every now and then deliberate and bring forth a program of ideals and hopes only to forget them until election day comes around again.[6] Both the Federation and the Chamber demonstrate a remarkable tenacity for their policies and seldom turn aside from their objectives. One has only to take the matter of Child Labor in the case of the Federation, or the question of a Merchant Marine, in which the Chamber has long been interested, to observe the perseverance and stubbornness with which these groups struggle for their ends.[7]

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[6] Andre Siegfried in his *America Comes of Age*, pp. 246 ff., gives this poignant bit of analysis:

> "The real strength of these propagandist associations lies in their energy and the fact that they are continuously being renewed. The political parties in contrast are mere machines without life or initiative, intent solely on getting into office. They are essentially passive and lack both the aptitude and the desire to create. . . . . According to this conception, the party is like a shell into which any political creature may crawl, or, better still, like an omnibus in which one travels with all one's bags and baggage. The wily ones reserve seats in the omnibuses of both rival companies, in order to make sure of their getting there."

[7] Inasmuch as the nature of policies decided upon by the Chamber and the Federation have a great deal to do with the types of techniques which are used to make these policies effective, it may be well to survey briefly some of the general characteristics of such policies. It is significant to note that a very large proportion of what may be called Chamber and Federation legislation looks outward rather than inward. That is to say, most of the policies to which these organizations are committed relate to the activities of outside groups and institutions rather than to the conduct of their own memberships. An examination of the resolutions and referenda of the Chamber and the Federation emphasizes the fact that these group agencies are more concerned with what the government or

3. THE USE OF PUBLICITY

From 1921 until the time of President Gompers' death, the publicity work of the American Federation of Labor was concentrated in the hands of the A. F. of L. Publicity Service, a bureau which was abolished in 1925. At the present time the various publicity organs function directly under the supervision of the President. The official magazine is the *American Federationist*, a monthly publication containing articles, reports, and editorials of interest to those familiar with the work of organized labor. In addition to this publication, mention has already been made of the *Weekly News Service*, a clip sheet distributed among labor publications, and the *Legal Information Bulletin*, published by the Legal Information Bureau. Mention should also be made of the *International Labor News Service*, which, though unofficial, is made up of the leading trade-union publications. These in turn contribute to the expense of the *Weekly News Service*, which is used by practically all of them.

Considerable interest was at one time manifested in the establishment of a Lecture Bureau; but lack of funds prevented the carrying out of the project on the scale desired, although a list of available speakers is kept and use is made of this talent from time to time. In addition to the publications named above, the Federation has been responsible for the publication of various pamphlets and books on such

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some other group is doing than they are with the activities of their own affiliated constituents. There are some notable exceptions to this statement; as, for example, in the case of the Chamber, where efforts are now being made to regularize the trade relations of their organized memberships; and in the case of the Federation, where attempts are made to govern the jurisdictional contacts of member unions. Due to the federated character of both organizations, however, which results in a considerable amount of autonomy being left to member organizations, and to the voluntary nature of membership in the group agency, which tends to make the organization dependent upon persuasive methods of control, great difficulty is experienced in trying to extend the scope of internal rule-making. Group legislation, therefore, should be distinguished from state legislation. In general it faces outward and anticipates an extension of the group's influence over the government or some other group, whereas state legislation is primarily concerned with the laying down of rules to govern the conduct of citizens within the state.

Group legislation also differs from state legislation in another respect. Few policies of either the Federation or the Chamber represent the will of a majority group within the organization as opposed to a minority group. Most of the policies of both organizations constitute a distillation of opinions and desires to the point where the resulting formulation virtually approximates the wishes of all. By reason of the fundamental character of the group membership, there seems to be in theory at least a reason why group policies should represent a substantial unanimity of opinion. And this probably explains why the group legislative process is operated with a view to discovering what the common interest is and giving expression to it. Actually the process of group legislation results in the production of rather general resolutions, the meaning of which, if really discoverable, is usually capable of divers interpretations.

subjects as trade unionism, union benefits, union labels, the five-day week, education, legislation, judiciary, socialism, and the World War. An *American Federation of Labor History, Encyclopedia, Reference Book* in two volumes contains a digested compilation of the significant activities and policies of the Federation since its foundation. Every effort is made to supply college students and others with information for debates upon labor questions, and releases to non-labor publications amount to many hundreds of columns yearly. The feasibility of setting up a chain of labor dailies has been considered but rejected on account of the expense that would be involved.

Publicity to the interests of the Federation is, of course, given by numerous private and trade-union publications throughout the country. In 1923 there were over three hundred trade-union weekly, semi-monthly, and monthly publications. The Federated Press, which is an incorporated organization of labor publications, serves over seventy-five publications, two hundred local unions and central bodies, as well as about forty or fifty indviduals. This news service, while not altogether in accord with the policies of organized labor as represented by the Federation, nevertheless does carry some publicity of interest to the organization. The amount of money actually spent by the Federation for publicity purposes each year out of the fund created for that purpose varies considerably. From March, 1923, to August, 1924, it amounted to $2,406.23, and from September, 1924, to August, 1925, it totaled $9,989.87. These sums, which seem small in comparison with the size and aims of the organization, do not represent, of course, in any real measure the extent of the publicity secured.

The publicity technique of the Chamber of Commerce corresponds in many respects to that of the American Federation of Labor. The *Nation's Business* is the official organ of the Chamber and is the medium through which the organization undertakes each month to place before its members and the public the facts concerning its activities, and also the facts regarding national and international questions vitally affecting commerce and industry.[8] Most of the articles published in this magazine center around the current program of the Chamber.[9]

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[8] "It has been found again in the last six months that among the most successful articles are those which seem to present nothing strikingly novel, but which serve to crystallize points of view already held by business." *Report of Promotion Activities*, January 23, 1928, p. 11.

[9] The degree to which this is done is emphasized by a summary of the articles published during the last six months of 1927. For such a correlation see Appendix, *Ibid.*

The Press Service of the Editorial Department supplies news of the current activities of the group to daily newspapers, the trade press, organization publications, and the periodical press. For the year 1927 the Press Service reported a total of 105,823 clippings, representing at least 200,000 news items which appeared about the Chamber.[10] The Press Service works in close co-operation with the Chamber departments, consults with department managers, and makes suggestions as to publicity possibilities. It attempts to make use of all possible news outlets for the departments, marketing much of the material in the general press and trade papers.[11]

The Resolutions and Referenda Department is primarily concerned with carrying out the Chamber's legislative program. Each point in this program is systematically and persistently followed up. A steady flow of "campaign letters" is maintained through channels that lead to governmental officials, pivotal sections of the country, members of the Chamber, and the public generally. Division managers endeavor to keep the program before the membership in their divisions. Speeches throughout the country by Chamber officers and representatives continually stress the program, supported by publicity releases, published articles, local committees on national legislation, communications and interviews with the President and other officers of the government, as well as letters to Congressmen and appearances before congressional committees. A steady stream of letters gushes forth from central headquarters. Addressographing, mimeographing, and other types of printing machines run day and night. The pen in its perennial struggle with the sword is today reinforced with batteries of printing presses as formidable as they are effective.

In order to facilitate the Chamber's publicity work each division manager arranges speaking tours through sections in his division. A speaker's bureau keeps advised of the policies of the Chamber, prepares material for use by the speakers, publishes promotional literature, and scouts effective speakers. The Research Department renders to members a direct service by means of a *General Bulletin* issued weekly containing information regarding current activities of the different governmental departments, bureaus, and commissions of interest to business and commerce. Twenty-six thousand copies of the *Week's Work* are sent out weekly giving a picture of what the Chamber is doing. A

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[10] *Ibid.*, p. 6.

[11] *Ibid.*, p. 7.

Legislative Bulletin is issued weekly during sessions of Congress, which follows the progress of all legislation in Congress affecting business. Numerous pamphlets of various kinds are issued from time to time containing speeches made by Chamber officials, the results of investigations made by the agency, as well as material descriptive of the work of the organization in general.[12] The *Referendum Pamphlets*, to which reference has previously been made, are also used as media for conveying to the public generally the importance of certain problems and the attitude of special investigating committees thereon. The results of referenda votes are distributed widely throughout the country and undoubtedly exercise considerable influence upon the attitude of the public toward the Chamber's policies.

The preceding description of publicity technique discloses very few fundamental differences in method as between the two organizations. Both have a monthly publication of rather wide circulation. Both issue bulletins for the information of the membership especially, but serving also to direct the attention of the public to certain questions of interest to the group. Both make extensive use of the daily press and other publications having a wide circulation. And both issue from time to time books and pamphlets dealing with matters of interest to the group. Neither organization has as yet made extensive use of the radio by going so far as to set up its own broadcasting station. Both make use of this device, however, and the Chicago Federation of Labor, a member of the American Federation, has recently set up its own broadcasting station for use in the interest of organized labor.[13] Undoubtedly the future will witness an even more extended use of this medium, and the radio will come to play an important part in the development of external pressure by the group.

There does not appear to be any satisfactory way to measure the power of publicity technique. Computations of newspaper space used, comparisons of devices, analyses of expenditures, so far as these are possible, are all suggestive. But, as we have already seen, the extent of a group's influence depends upon a variety of factors, all of which have to be considered together. Perhaps we can go no farther at this point than to lay down a few standards of social value to which any publicity technique should conform. Publicity to be of social service should be based upon truth, the revelation of facts, and all the facts so far as they can be secured. These may be presented in as interesting and as attractive a fashion as possible but the object should be to make them intelligible, to convey to the readers or listeners an accurate impression of the points of view suggested. It is to be regretted that cost frequently hampers the publicity operations of certain groups, thereby preventing an equitable distribution of group publicity. In proportion as the social and political significance of groups is appreciated, the necessity for liberalizing the avenues of group expression will become evident, and it is to be hoped that the rostrum of group articulation will soon be available to each organization on a basis of equality. The exclusive control of the channels of public information by power of numbers or wealth is clearly contrary to social policy and the attainment of generalized intelligence.

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[12] A *List of Publications* of the Chamber of Commerce issued February 8, 1927, cites approximately 225 publications exclusive of the *Nation's Business* and other bulletins. The list covers a variety of subjects such as aeronautical development, automobile thefts, budgeting, city planning, combination, commercial arbitration, education, employment, federal reserve, fire prevention, foreign commerce, shipping, taxation, legislation, world trade, railroads, etc., etc.

[13] Recently the Chicago Federation has authorized the publication of a quarterly magazine known as the WCFL *Radio Magazine*. The first issue of this publication appeared in October, 1927.

4. INFLUENCING ELECTIONS

Most groups have long since abandoned the idea of confining their technique of external pressure to the publicity methods just described. The difficulty of concentrating public attention upon problems, and the inability of masses of people to retain sustained interest in definite ideas and concrete programs or to devise practical methods for carrying out their wishes, necessitate the direction of group pressure toward the agents of the masses, their public officials. Neither the Federation nor the Chamber has undertaken to form a political party for the purpose of getting control of the government, preferring either to further the candidacies of certain individuals, regardless of their party affiliations, or, taking the officials as they find them, to bring pressure to bear after their election or appointment to office. Since about 1908 the American Federation of Labor has played an active part in elections national as well as local.[14] No attempt is made to support candidates financially, but candidates whose public records have shown their sympathy for the labor movement are afforded every kind of support that the publicity agencies of the Federation can give. The organization keeps detailed records of public officials and will submit upon request the stand which any legislator has taken upon measures of interest to labor. The following is a typical sample of a legislator's record[15] as kept by the Federation:

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[14] See "Abstract of President Gompers' Testimony Before the House Lobby Investigation Committee," *American Federationist*, Volume XX, p. 1002, December, 1913.

MASSACHUSETTS

Senator Henry Cabot Lodge, Republican
Residence: Nahant, Mass.

Legislative Record on Measures of Interest to Labor

66th Congress		Attitude toward Labor
Oct. 21, 1919	Amendment to strike out antitrust clause favoring Labor in the First Deficiency bill	Unfavorable
Nov. 5, 1919	Motion to strike Labor Charter from League of Nations	Unfavorable
Dec. 19, 1919	Motion to strike clause making strikes unlawful from Cummins railroad bill	Not Voting
Jan. 26, 1920	Americanization bill—Education of illiterates	Favorable
Feb. 23, 1920	Cummins-Esch railroad bill—acceptance of conference report containing the obnoxious antilabor and other objectionable provisions	Unfavorable
Apr. 1, 1920	Motion by Senator Phelan to increase the appropriation for the Bureau of Conciliation, Department of Labor	Not Voting
Apr. 3, 1920	Retirement bill—Myers amendment prohibiting affiliation of Federal Employees with Organized Labor	Favorable
67th Congress		
Nov. 3, 1921	Senator Smoot's amendment to H.R. 8245 providing for a sales tax which would shift the burden of taxation from the well-to-do to those least able to bear it	Paired Unfavorable
Nov. 4, 1921	Senator Smoot again offers amendment providing for the sales tax	Paired Unfavorable

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[15] Similar records are kept for all legislators and the officers of the Federation have complete summaries showing the legislative record of every Congressman throughout his terms of office.

68TH CONGRESS	ATTITUDE TOWARD LABOR
Apr. 18, 1924—Passage of immigration restriction bill....	Favorable
May 27, 1924—Passage of Postal Employees' wage increase bill with Borah corrupt practices amendment	Favorable
June 2, 1924 —Passage of Child Labor amendment to the Constitution of United States............	Favorable

Favorable to Labor	14
Paired favorable to Labor	0
Unfavorable to Labor	8
Paired unfavorable to Labor	2
Not voting	8
Answered present	0
Total	32

The direction of the non-partisan political campaigns of the American Federation of Labor is usually placed in the hands of a National Non-Partisan Political Campaign Committee composed of three members of the Executive Council acting as an executive committee. This committee sends circulars to national, international, state, and local organizations, which outline plans to re-elect public officials favorable to labor and to defeat those not in sympathy with the organized labor movement. The following are excerpts from a circular of this character:

> Greeting: The insidious campaign now being carried on to discredit forward-looking members of Congress makes it imperative that the organized wage-earners and their sympathizers make every preparation to take an aggressive part in the primaries which will be held in the various states and the election in November, 1926. . . . A careful record of the votes made in the present session of Congress and previous Congresses will be compiled and sent to all organized labor. . . . It will be helpful to the American Federation of Labor Non-Partisan Political Campaign Committee if the officials of the various state federations of labor and central bodies will send in a list of candidates for United States Senators and members of the House of Representatives. . . . Every state federation of labor, every city central body, and every local union should appoint non-partisan political campaign committees. . . . Mass meetings should be held. . . . The campaign should not be confined to the organized wage-earners. . . . Much depends upon the outcome of the primaries and the elections. . . . It is our wish that every campaign committee will write to the American Federation of Labor for information that will be of value as to candidates.
>
> Yours fraternally,
> WILLIAM GREEN[16]

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[16] *Proceedings of the Forty-Sixth Annual Convention of the American Federation of Labor,* 1926, pp. 71-72.

Every attempt is made to adapt Federation pressure to the situations in different states. The individual records of Congressmen are sent to their respective congressional districts, and member organizations are urged to appoint legislative committees to keep records of their state legislators. Printed reports on legislation before Congress and the state legislatures are sent to colleges, member organizations, and the labor press. For example, on July 29, 1922, a special circular was sent to nearly 40,000 non-partisan political campaign committees outlining what should be done to make the campaign a success.[17] In this endeavor to elect candidates favorable to labor the Federation cooperates with groups such as farmer organizations and the American Legion, and conferences are frequently held with representatves of these groups in Washington.[18] Hundreds of letters from individuals are answered on all phases of the campaign. Just before the primaries are held in the different states, organizers are frequently directed to visit local bodies and urge the support of favored candidates. One of the first instances of an attempt on the part of the Federation to bring about the defeat of a candidate for Congress was in the case of Charles E. Littlefield of Maine in 1906.[19] Since that time the influence of the Federation has been felt in most Congressional districts at election time. The following description taken from a report of the Non-Partisan Political Campaign Committee illustrates fairly well the procedure and the types of pressure brought to bear. After reciting a number of measures on which Representative Garrett of Tennessee had acted in a manner unfavorable to labor, the committee went on to state:

> On March 5, 1926, President Green wrote a letter to the Tennessee State Federation of Labor in which he referred to Representative Garrett's record in Congress. . . . President Green sent a representative to the Convention of the Tennessee State Federation of Labor who made still further representations of the necessity of defeating Representative Garrett. The secretary of the State Federation of Labor had previously sent President Green's letter to all papers in the state. . . . Finally Representative Garrett began to be alarmed at the reports coming from his district and in June, during the session of Congress, he hastened home to patch up his fences. Few wage-earners live in Representative Garrett's district, it is mostly a farming district, but the appeal made by the labor movement was so successful that he was barely elected by only about 1200 majority.[20]

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[17] *Proceedings*, 1923, pp. 46-55.

[18] *Ibid.*, p. 51, and p. 52.

[19] "Abstract of President Gompers' Testimony Before the House Lobby Investigation Committee," *loc. cit.*

[20] *Proceedings*, 1926, pp. 72-74.

The American Federation of Labor not only takes an active part in Congressional and Senatorial elections but also brings its influence to bear upon the national party conventions. President Gompers and others associated with him took an active part in the informal proceedings connected with the party conventions of 1908 and 1912. Mr. Gompers set forth in his autobiography an account of Federation activities at that time.

> The Republican Convention was to meet in Chicago in June and the Democratic Convention in Denver in July. The Executive Council of the A. F. of L. met in Chicago just prior to the Republican Convention, to prepare the planks and platform which we would urge be inserted in the convention's declarations. In that meeting we considered the report of our legislative committee. Additional workers had been detailed to the legislative committee in order that we might have the labor record of every member of Congress and that there should be no misunderstanding on the part of any members of Congress as to the gravity which labor attached to its grievances and its demands for remedial legislation. . . . James Duncan, Daniel J. Keefe, and I were selected to appear before the Committee on Platform. Mr. Keefe arranged for two interviews with Mr. Wade Ellis and we discussed labor planks. . . . So relentless was Mr. Cannon in his hostility to labor that, despite the fact that it was considered good form for candidates to stay away from conventions, he hastened to Chicago to add his personal activity against us. The committee refused to give us a hearing before the whole committee, but arranged for us to confer with a sub-committee. . . .
>
> As stated above, the platform contained an evasion on labor's paramount issue and the convention nominated as its standard bearer William Howard Taft known as the "injunction judge." James Van Cleave and the Republican reactionaries jeeringly told Labor to "Go to Denver." . . . That was in accord with our program and our Executive Council proceeded to Denver and we presented the identical propositions which we had presented to the Republican Platform Committee. There we were accorded a hearing before the full Platform Committee of which Judge Alton B. Parker was chairman. We were subjected to considerable questioning and exchange of views, with the result that the committee did include most of the requests that we presented.[21]

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[21] Samuel Gompers, *Seventy Years of Life and Labor, An Autobiography*, E. P. Dutton and Co., 1925., Vol. II, Chapter XXXV, pp. 255 ff. "Labor expects to exercise just as great, if not a greater influence in the 1928 national political campaign as in any previous campaign, not excepting 1916" was a statement made by the President of the Federation in January, 1928. In pursuance of this aim a non-partisan committee was appointed to direct the political campaign. Beginning in the primaries an effort was made to elect friendly delegates to the National Conventions, to get out friendly votes in the election, and ultimately to elect, officers friendly to labor's program. For a general description of the program and methods to be employed see New York *Times*, January 25, 1928. For a list of the planks presented to the political party conventions in June, 1928, see *Weekly News Service*, June 16, 1928.

It would be impossible to enumerate all of the various patterns of activity followed by the Federation as it seeks to establish its influence during elections. Every legal device which the ingenuity of the leaders and the finances of the organization will allow is used to bring about the desired results. These results are not capable of exact measurement because of the fact that the election of any public official is rarely due entirely to the support of any single group. The claims of the Federation, therefore, must be accepted with some reservations in spite of their suggestiveness. In its 1923 report the Executive Council of the Federation stated:

> Through the activities of the American Federation of Labor National Non-Partisan Political Campaign Committee, as directed by the Executive Council, twenty-three candidates for United States Senators who had been loyal to labor and the people were elected and eleven reactionary Senators defeated.
>
> Of the friendly Senators elected eighteen were Democrats and five Republicans. Of the candidates for representatives 170 were elected either because directly supported by the A. F. of L. National Non-Partisan Political Campaign committees or by reason of the opposition to their opponents. Of these 105 were Democrats, 63 Republicans, 1 Farmer-Labor, and 1 Independent.[22]

These figures do not, of course, indicate the strength of the labor group as such in Congress, that is to say, the number of Congressmen elected directly from the ranks of labor. In the sixty-ninth Congress these numbered seventeen; two Democrats, thirteen Republicans, one Farmer-Labor, and one Socialist. The bulk of labor's support depends not upon labor men as such but upon Congressmen who show by their votes on test measures that they can be counted upon by organized labor.

Turning now to a consideration of the activities of the Chamber of Commerce, we fail to find any duplication of the Federation activities at election time. The Chamber like the Federation has no recognizable party affiliation and does not appear to be interested in the fate of any particular political party. The Chamber does not undertake to support officially the candidacy of any person or persons, apparently preferring to take the officials as they are selected and bring organization pressure to bear upon them. This is not to intimate, however, that the influence of the Chamber is not felt at election time. By focusing the attention of the Nation on certain problems of a business and governmental character, by developing a group psychology and a set of attitudes toward major issues, it consciously or unconsciously directs the voters toward the standard bearers of Chamber policies. As in the case of the Federation, the Chamber draws its support from both parties in Congress. Just what this support is, how many "Chamber" Representatives and Senators there are would be difficult to say. So far as the writer knows no such list has been kept. Following the practice of the Federation it would be possible to indicate this strength by noting the roll call of votes on certain measures sponsored or opposed by the Chamber, which might be regarded as test votes, but the motives behind a Congressman's vote are usually extremely complex and such lists as might be compiled in this way would have to be interpreted with great care.

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[22] *Proceedings*, 1923, p. 50.

CHAPTER VIII

INFLUENCING LEGISLATION AND PUBLIC ADMINISTRATION

1. LEGISLATIVE ACTIVITIES

The usual methods employed by the Chamber and the Federation in seeking to influence legislation involve not only the procedures just described, which ultimately affect legislation indirectly, but also various techniques operating to influence Congressmen and legislators immediately. Some of these comprise: (1) drafting bills and having them introduced in Congress or the state legislatures; (2) sending communications to individual Congressmen, state legislators, governors, and other public officials; (3) encouraging members to bring pressure to bear upon their representatives; (4) arranging for and appearing at legislative hearings; (5) advising with and influencing the appointment of committee personnel; (6) interviewing legislators and providing them with speech material; (7) holding meetings with groups of Congressional representatives; (8) interviewing the President and urging the furtherance of the group program; and (9) co-operating with other groups in the interest of desired legislation. Each measure and each policy requires its own technique, and the study of the procedure used in marshaling arguments and other forms of pressure and applying them at the strategic point at the crucial time is a study of generalship of a very high order. In this warfare of pressures the guiding hands are usually selected with great care, and the intricacies of their moves and designs only baffle one the more as he tries to trace and unravel them.

Both the Chamber and the Federation have created specialized agencies for directing the execution of their policies. Within the Chamber it is the Resolutions and Referenda Department which invents the particular strategy necessary for putting over a given program. Mr. P., in charge of this department, after consultation with the chiefs of the other promotion departments, sifts the various resolutions and referenda, decides which of them demands immediate attention, and then under the authority of the Board of Directors and with the advice of the President and others in charge puts the pressure machinery into motion. Although the technique of influencing legislation has become pretty well standardized, it is necessary to insure the fullest co-operation of all the departments of the Chamber. Consequently the heads of the Field, Press, and Research Departments frequently sit down with Mr. P. and devise programs of action. These informal councils occur often during sessions of Congress. In cases where a policy relates to the work of one of the departments of the service group, the head of such a department will ordinarily be invited to participate in the deliberations. Much of the success of the Chamber's work depends upon the accomplishments of this promotion group, and the men in charge really constitute the war staff of the organization. Although they often receive helpful suggestions from Directors, National Councillors, and Committeemen, their work is of such a highly specialized character that they are not in a position to rely very much upon such suggestions. Mr. P. is a man of considerable experience in newspaper work, and possesses in addition to a thorough insight into the objectives of the Chamber an exceptional ability for meeting men and interpreting the desires of the organization in terms that the Congressman and the public will understand.

It may assist in the interpretation of the work of the Chamber if we pause long enough to obtain a close-up view of the workings of the Resolutions and Referenda Department, and those associated with it. Apparently no routine characterizes the daily appointments of Mr. P. The morning may begin with a conference with the head of the Research Department, a man who has been in the employ of the Chamber since its establishment, and who understands the viewpoint of the Chamber membership as perhaps no other man on the staff understands it. Perhaps other department heads will be included in the conference. Field agents may drop in to report problems that they have encountered in the course of their trips throughout the country. Speakers will convey their interpretations of prevailing business attitudes as they have discovered them on their speaking tours in different sections. The man in charge of the Chamber's press service may want to secure the reaction of the group in the conference on a new press release that has been prepared. Speaking schedules will be worked out; a publicity campaign will be formulated; resolutions and referenda will have to be interpreted.

And now the scene shifts and we find Mr. P. attending a luncheon of business men, reporters, in fact almost any type of group interested in enlisting the services of the Chamber. We hear him, accompanied by some of the more outstanding figures in the Chamber, conversing with governmental officials, interviewing Congressmen, conferring with the President of the United States. Not infrequently we find him attending some important committee hearing, urging the adoption of some Chamber policy, or coaching some of the leaders in the organization in the presentation of Chamber views. No complete picture of the work of this important department in the Chamber can be drawn. Its activities vary from day to day with the changing fortunes of the Chamber's fight for influence. Ingenuity, resourcefulness, persistence are all required, as well as the mastery of the technique of selling ideas. Manned by experts in the science and art of propaganda, it co-ordinates all of the publicity activities of the organization, selects the issues upon which stress is to be laid at a particular time, and plans the strategy of battle.

Within the Federation the Executive Council usually guides and directs the work of policy execution, although in actual practice the legislative representatives really perform most of the duties in connection with the application of the influence of the Federation, and they in turn function directly under the close supervision of the President. Inasmuch as the Executive Council meets as a rule only about four times a year, and authority devolves upon the President to act between meetings, it usually happens that the President is the dominating force even in Council meetings. It is he who decides which policies shall be pressed most vigorously, interprets them where such interpretation is necessary, and supervises very closely the pressure campaign. The work of the Legislative Committee is of sufficient importance, however, to justify a brief examination of its tasks.

The picture that one gets as he follows the work of this group during the sessions of Congress is similar to that just described in the case of the Chamber. Legislative activities of both Senate and House are followed day by day with great solicitude. Legislative measures are carefully indexed and filed, votes on important measures are tabulated, significant developments in the field of public administration are diligently watched, and judicial decisions affecting labor are scrutinized and placed on file. The day usually begins with a conference of the committeemen with Federation officials and other interested persons. Congressional committee hearings scheduled for the day are discussed with a view to deciding which of them should be attended. And a general program of action is worked out. Then, leaving the office in charge of one of their number, the other two ascend to Capitol Hill, and begin their day of interviews and attendance at committee hearings. For hours these agents circulate about the Capitol, discussing the progress of measures, supplying overburdened legislators with information, exhorting them to renewed enthusiasm for Labor's interests, checking up on attitudes, and in general doing whatever they can to impress upon legislators the needs and potentialities of the Federation. At best it is strenuous work, and requires not only tact and ingenuity, but also an intimate acquaintance with legislative methods and personnel. These agents come to know most of the Congressmen and important public officials personally, and as a rule they are more than welcome in the offices of most Senators and Representatives. They learn to approach their prospects in an unóbtrusive manner; know how and when to turn conversation into light or serious veins; understand the individual psychology of the various types of men that they approach; and in general master the technique of spreading influence through personal contact.

Mr. Gompers has given us a pretty clear picture of the committee organization of the Federation for legislative work, especially as it existed in 1913. He has stated:

> At the conventions of the A. F. of L. apart from resolutions of an economic character, resolutions for legislative enactment have been adopted and have been referred either to the executive council, or the officers of the Federation at Washington and by them referred to the Legislative Committee for the purpose of inducing members of Congress to introduce the measures in the form of bills. When bills are introduced, our committee waits upon the chairman of the committee to which the bills are referred with a view to arranging the time when the committee could hear the advocates of the legislation; interviews members of Congress, urging speedy consideration of those bills; prepares data and statistics, makes investigations, and presents the matter for consideration by the members of the Executive Council residing at Washington, and presents the approved form to committees for consideration. They themselves, the committee, make arguments before the committees whenever necessary. For instance, we have our legislative committee, composed of three men in whose judgment and whose integrity we have absolute confidence as the result of our experience with them. When Congress is in session, the committee is sometimes in daily consultation with Mr. Morrison, Mr. James O'Connell, and me. They submit reports to us which are published in the *American Federationist* as to the status of legislation and the activity of this or that member, either particularly friendly or particularly hostile in his attitude. The legislative committee reports to us, the Labor Representation Committee, which is a committee created by the Executive Council of the American Federation of Labor, and by authority of the Federation itself, a committee consisting of Vice-President James O'Connell, Secretary Frank Morrison, and the President. On many occasions we invite

representatives of the various departments of the American Federation of Labor, such as the Building Trades Department, the Metal Trades Department, and the Union Label Trade Department, to consult with us. Their votes, these others who may be called in, would not be determining, except that their wishes and views would be considered, but the determining committee would be the Labor Representation Committee.[1]

On May 26, 1921, an organization was formed in Washington called the Conference Committee of Trade Union Legislative Representatives. This committee was composed of all labor legislative representatives, legislative agents from various national and international unions, and officers of the various departments of the American Federation of Labor. From thirty to forty members attended each meeting, and each bill which directly or indirectly affected labor was considered exhaustively. Here differences of opinion were reconciled, a united program was formulated, information was pooled, and the resources of labor were marshaled for the purpose of applying pressure. Instead of lone agents prosecuting a cause before some Congressional committee, forces were mobilized and directed toward the critical points.

Turning now from a consideration of the specialized agencies through which the Chamber and the Federation act in bringing pressure to bear upon legislation, we may note some of the typical instances in which pressure has been applied. Both organizations make a practice of having bills drawn up and introduced into one or both houses of Congress, although the Chamber prefers not to have its name linked with any particular bill, feeling that to do so tends to weaken its influence and make compromises difficult. For example the Chamber, in opposing the Fitzgerald bill and supporting the Underhill bill dealing with workmen's compensation insurance in the District of Columbia, directed the executive officers of the Chamber to have a substitute measure prepared under the supervision of the Insurance Department Advisory Committee in case it became evident that the Underhill bill could not pass.[2] Some of the early referenda called for an expression of opinion by the members on particular bills before Congress, but this practice was soon given up. Such a procedure did not allow enough latitude to the executive officers in their dealings with Congress. Senate bill 2998, introduced by Senator Frelinghuysen on September 15, 1919, provided for railroad reorganization and embodied the plan of railroad legislation worked out by the National Transportation Conference.[3] In fact nearly every policy upon which the Chamber is committed sooner or later is reflected in bills before Congress. Such laws as the Budget Act of 1921, the Tariff Commission Act, the Federal Reserve Act, the Transportation Act of 1920, the Federal Water Power Act of the same year, the McNary-Clarke Forestry Bill, and many others have in a sense been Chamber measures, although the final form in which they were passed was by no means the sole result of Chamber influence.

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[1] "Abstract of President Gompers' Testimony, etc.," *American Federationist*, Vol. XX, pp. 1025 ff., December, 1913.

[2] *Annual Report, Board of Directors*, 1925, p. 43.

The Federation makes a practice of drawing up bills and having them introduced in Congress. "At every opportunity we had," said President Gompers, "we endeavored to have legislators, both national and state, introduce measures which we helped frame or approved or helped in any way we could for their enactment."[4] This work is usually done by the Legislative Committee under the direction of the President and members of the Executive Council. The advice of interested friends is obtained, and in such cases as the Shipstead anti-injunction bill, their advice and suggestions play an important part. In 1925, for example, the Federation prepared a model state law relative to convict labor, and numerous other measures to introduce during sessions of Congress.[5] Both the Chamber and the Federation are interested in state as well as national legislation and bring pressure to bear in state and local governments as well as at the national capital.[6]

A second method of influencing legislation is by means of communications to public officials, national, state, and local; as well as by letters sent to members of the Chamber, and other interested persons. Judged by the emphasis laid by the Chamber upon this means of exerting pressure, it seems to be regarded as very important. Under the direction of the Resolutions and Referenda department a daily stream of letters, telegrams, memorials, reports, resolutions, and records of referenda are sent out; campaign material which reaches enormous proportions. During the year 1922 the Chamber made strenuous efforts to secure the passage of the administration Merchant Marine bill. "Facts in regard to the present situation, the actual provisions of the pending bill, data as to the costs of government operation as compared with the proposed degree of government aid, and the actual situation in the Senate which prevented action, were made the subjects of several letters and bulletins to members of Congress and to the Chamber's membership." [7] In an endeavor to have its entire program with reference to revenues adopted during 1921-22, the Chamber's program was laid before all members of both Houses with explanatory statements of its proposals, and the significance of the referenda votes which had been cast on the Chamber program.[8] Many of the telegrams, letters, et cetera, get into the Congressional record, although the number so favored has been decreasing in recent years. During the sixty-second Congress about the only reference to the Chamber had to do with the discussion of the bill providing for the Federal incorporation of the Chamber. In the sixty-third Congress this bill was discussed, and two addresses made before the Chamber, one by the Secretary of the Treasury and another by a Senator, were published in the Record. During the sixty-fourth Congress eight papers, memorials, and letters found their way into the Record. Since that time the amount of Chamber publicity secured in this manner has steadily diminished. The Federation also makes use of the mails for the purpose of bringing pressure to bear upon governmental officials, but it lacks the facilities for doing this on a large scale.[9] The following table summarizes the day-to-day campaign letters sent out by the Chamber during December, 1927.[10]

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[3] *Congressional Record,* Volume 58, Part 6, 66th Congress, 1st Session, September 15, 1919, p. 5359.

[4] "Abstract of President Gompers' Testimony, etc." *American Federationist,* Vol. XX, pp. 998-9, December, 1913.

[5] *American Federationist,* Part 1, 1926, p. 123.

[6] See *Week's Work,* No. 9, p. 4; 12, p. 3; 14, p. 5; 46, p. 1.

Still another method of influencing Congressional action is by the indirect but none the less effective method of bringing pressure to bear upon certain Congressmen through their constituencies "back home." Personal requests for legislative action coming from many residents in a representative's own district carry great weight. The second referendum of the National Chamber committed the organization to a definite policy with respect to the establishment of a tariff commission. Under

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[7] *Annual Report, Board of Directors,* 1923, p. 9.

[8] *Ibid.,* 1922, p. 10.

[9] See *American Federationist,* Vol. XX, 1913, pp. 283, 290.

[10] For a longer summary of such letters see "Details of progress on the Chamber's Legislative Program," Appendix to *Report of Promotion Activities,* 1927. For a detailed record of the Chamber's campaign for the McFadden-Pepper bill from October, 1926, to February, 1927, see *Week's Work* No. 26, pp. 2-3, March 25, 1927.

> "The Chamber began its work for this measure before Congress convened and kept steadily at it until the bill was enacted in February. The effort embraced a broad publicity campaign in the press. Members were kept constantly informed of the situation. The President and his Cabinet, the Senate, the House, the Steering Committees, the Committee on Finance of the Senate, the Ways and Means Committee of the House, and the floor leaders were urged to facilitate the passage of the bill." *Ibid.*

TABLE XI

TYPICAL CAMPAIGN LETTERS OF CHAMBER OF COMMERCE

DATE	SUBJECT MATTER	SENT TO
Dec. 3, 1927	Tax Reduction letter	Secretary of Treas.
Dec. 5, 1927	Tax Reduction letter containing results of Referendum No. 50	All members of Congress
Dec. 6, 1927	Copy of Tax Reduction letter sent to Secretary of Treasury	All members of Congress
Dec. 6, 1927	Letter regarding policies of Chamber	National Councillors
Dec. 8, 1927	Letter and copy of Chamber policies	Secretaries of Organization Members
Dec. 13, 1927	Letter regarding Chamber's stand on public-health measures	House Committee on Interstate and Foreign Commerce
Dec. 19, 1927	Letter regarding Flood Control and copy of Referendum No. 51 dealing therewith	President Coolidge
Dec. 19, 1927	Same letter and pamphlet	House Committee on Flood Control
Dec. 19, 1927	Letter quoting Chamber resolutions on Parcel-Post situation with reference to Cuba	House Committee on Ways and Means
Dec. 30, 1927	Tax Reduction letter	Chairman, Senate Committee on Finance
Dec. 31, 1927	Same letter with bulletin on Federal Taxation	Chamber's Board of Directors

the direction of the Committee on the Tariff Commission an active campaign of "education" was carried on throughout the country and more than two hundred constituent organizations appointed operating committees. These were supplied with pamphlets and arguments, and a Tariff Commission League was formed to campaign to the same end.[11] Sometimes form letters have been sent to members of the organization living in certain districts with the request that they mail or wire copies to their representatives. Such a flood of "canned" letters does not have the force, however, that individually written letters have. When the question of appropriations for the Bureau of Foreign and Domestic Commerce was being considered in the House of Representatives in January, 1925, the Chamber communicated by wire with about twenty-six chambers of commerce within its membership having foreign trade bureaus, urging their support.[12] Numerous illustrations of the application of this common form of pressure might be given.[13]

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[11] *Annual Report, Board of Directors,* 1916, p. 19.

Appearance at hearings is a familiar part of executive procedure of organizations such as the Chamber and the Federation. In the case of the Federation, the Legislative Committeemen, and in the case of the Chamber, members of the Promotion Division keep a careful watch over the progress of committee hearings, appear at them personally or have some member or members of their organization appear whenever the interests of the group seem to demand it. These legislative agents are specialists in the procedure of committees, and demonstrate considerable shrewdness in obtaining hearings, frustrating hearings, arranging schedules, or providing speakers as the case may be. During his lifetime President Gompers made his influence felt in this way, although he at one time stated:

> It is not often that I have come to the Capitol to committee rooms: that is, not often when the meetings of committees are taken into consideration. When our legislative committeemen have advised me that I ought to appear before a committee at some certain time and there has been a definite time arranged, convenient to the committee, if I could at all conform to the committee's time, of course, it was done.[14]

Often the Secretary of the Federation, one or more of the Vice-Presidents, some of the Directors of the Chamber, even the President of the Chamber appear when important measures are under consideration. Sometimes the Executive Council holds its sessions in Washington, and it has occurred on several occasions that the Council has taken a recess for the purpose of appearing before committees, or conferring with the President or Cabinet officers with regard to questions affecting the workers of the country. In February, 1928, the Federation issued a call to all the labor leaders throughout the country to come to Washington in order to be present at the hearings on the anti-injunction bill before the Senate Judiciary Committee. On the first day of the hearings, about a hundred labor leaders assembled at Federation headquarters and marched in a body to the Capitol. Needless to say they practically filled the committee room and afforded their representatives before the committee considerable moral support.[15]

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[12] *Ibid.*, 1925, p. 44.

[13] In describing the methods used to make the results of referenda effective the Board of Directors has stated:

> "The special committee charged with carrying the matter into effect seeks an opportunity to present the matter to the appropriate committees of Congress, prepares campaign material for the use of members and public distribution, asks the aid of members through formation of like committees to act with it and constantly keeps the question before the public." *Annual Report, Board of Directors,*

1917, p. 20.

[14] "Abstract of President Gompers' Testimony, etc.," *American Federationist,* Vol. XX, p. 1008.

Not infrequently the group organization seeks to extend its influence back of the Congressional committee itself to the personnel of the Committee. Even before the formal hearings sponsored by the committee, group pressure is often brought to bear upon the committee members. Three members of the Chamber's Committee on Federal Taxation served as advisers to the Joint Congressional Tax Committee during the summer of 1927 and had a great deal to do with the formulation of the current revenue act of that year.[16] During the extensive hearings before the Committee on Ways and Means of the House of Representatives during the fall of 1927, eight prominent members of the Chamber appeared in furtherance of the Chamber's views on taxation. Representatives of the American Federation also appeared in company with the representatives of numerous other organizations.[17] Representatives of the Chamber, headed by one of the Vice-Presidents, appeared before the Flood Control Committee of the House on November 15, 1927. The Chamber's Flood Control Committee report was presented and the Chamber was asked to appear again after December 15, and give the results of its referendum on Flood Control.[18]

Early in its history the Chamber sometimes experienced some difficulty in furthering its desires through committee hearings. The following instance is reviewed at some length for the purpose of showing the various types of resources upon which an organization such as the Chamber or the Federation may draw in bringing pressure to bear. At the annual meeting of the Chamber in February, 1916, a special committee was appointed to formulate a policy regarding the threatened strike of the railroad brotherhoods. The Secretary was asked to gather data bearing upon the controversy, and one of the first things done was to seek a conference with the Presidents of the four trainmen's brotherhoods. This attempt failed, however. The first meeting of the Committee was held in Chicago on March 27. Plans were discussed, the most promising of which called for a joint resolution to be passed by Congress directing the Interstate Commerce Commission to make an investigation of the entire subject of railroad wages.

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[15] It seems unnecessary to cite numerous illustrations of organizations' appearances before Congressional committees. During sessions of Congress they are almost daily occurrences.

[16] *Week's Work*, No. 40, May 21, 1927, p. 2.

[17] See Revenue Revision, 1927-28; Hearings before the Committee on Ways and Means, House of Representatives, Interim, 69th-70th Congresses. October 31 to November 10, 1927, pp. 63-86, 747.

[18] *Week's Work*, Vol. II, No. 9, p. 2.

In order to ascertain the attitude of the administration, leaders in Congress, and members of the Interstate Commerce Commission, conferences were held with the Secretary of the Interior, various Senators and Commissioners, as well as with authorities on the labor and railroad problem throughout the country. Although sentiment seemed to be against the plan previously suggested, it was made the basis for a referendum ultimately approved by a vote of 987 to 29.

In carrying into effect this policy, one of the first steps taken was the introduction in June, in both the House and the Senate, of a joint resolution similar to that suggested in the referendum. The report of the special committee states:

> On June 22nd the resolution approved by the Chamber was introduced in the Senate as S. J. Res. 145, and after some rather acrimonious debate upon the propriety of permitting the text of our referendum to go into the Record, was referred to the Senate Committee on Interstate Commerce.[19]

The following excerpts from the report of the committee indicate the procedure followed in trying to get adequate hearings upon this resolution:

> During the last week in June and the first week in July, the Secretary of your committee devoted himself to a discussion of the purposes of the Chamber of Commerce with administration leaders in Washington in the effort to produce a favorable attitude toward our program.
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> At the close of the first week in July, the Secretary of your committee called upon Senator Newlands and asked him to set a date for a hearing on S. J. Res. 145 before his committee, and expressed the hope that such a hearing could be had on or about the 1st of August.
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> Following the custom of the Chamber of Commerce, a copy of the referendum, with the details of the vote thereon, was sent with a letter of transmittal to the President, to each member of the President's Cabinet, and to the members of Congress.
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> On the 19th of July a meeting of your committee was held in the city

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[19] *Annual Report, Board of Directors,* 1917, p. 48.

of Chicago, at which time the entire work of the committee was reviewed and confirmed, a resolution being passed that a formal request for a hearing on S. J. Res. 145 should be presented to the chairman of the Senate Committee, and if it was found desirable, that a conference of business men should be held in Washington in support of this resolution, such a conference being called for the day preceding the date set for the hearing.

On July 20th General Secretary Goodwin presented a formal appeal to Senator Newlands.

The General Secretary was advised that it would probably be very difficult to secure a quorum of the Senate Committee on Interstate Commerce to consider this request; that Friday the following day would be the meeting day and if a quorum were present, the matter would be acted upon. No action was taken, either on July 21st or at the meeting of July 28th.[20]

In the meantime the General Secretary attended a conference of railway officials in New York and subsequently decided that it was his duty to present the situation to the President of the United States.

The President being absent for the week-end, your chairman was requested by the President's secretary to dictate a memorandum of the situation, which would be called to the attention of the President immediately upon his return to Washington.

As soon as the etiquette of the occasion would permit, the Washington office of the Chamber of Commerce was instructed to enclose a copy of the above letter to each member of the Chamber of Commerce, to each of the four Brotherhood chiefs, and to the chairman of the Railway Executives' Advisory Committee.

On the afternoon of July 29th, the chairman of your committee sought a conference with Senator Newlands, recited to him the result of the previous day's meeting in New York, and urgently requested that a hearing formally asked on the 20th of July should be granted by his committee for the earliest possible date that could be arranged.

The request of the Chamber of Commerce was laid upon the table, however, by the Interstate Commerce Committee and, notice of this action having been received, a telegram was sent to Senator Newlands, the closing sentence of which was:

> As chairman Senate Committee can you assure business interests of this country courtesy of hearing in time for action before Congress adjournment?

The reasons underlying the action of the Chamber committee were thereafter put in the form of a letter and carried by the Secretary to Washington to be personally delivered to Senator Newlands. The Senator was in Maine at the time, however, and the communication had to be left with the ranking member of the committee, the original copy being sent to Senator Newlands. No acknowledgment was made of the letter, and a few days later, after the conference between the brotherhood chiefs and the railways had come to naught, the chairman of the Chamber Committee dispatched an urgent telegram and letter to the President urging consideration and adoption of the Chamber plan. To this request the President sent an acknowledgment.[21]

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[20] *Ibid.*, pp. 48 ff.

It is not intended to suggest that these methods are typical, nor that the Chamber has been generally unsuccessful in its attempts to secure hearings on bills in which it is interested. In fact, evidence would indicate that it has been most successful. The main purpose in reviewing the above events is to show the types of resources upon which the Chamber may draw in exercising pressure, and the difficulties that may be encountered at times in securing hearings. The importance of having on Congressional committees persons sympathetic to the group often leads to the application of pressure to that end. It is especially important that the chairman of a committee to which group legislation is referred be favorably disposed toward the purpose of the organization and toward the end desired.

As early as 1899 the American Federation of Labor endeavored to extend its influence over the selection of Congressional committee personnel. At that time the Executive Council suggested to the Speaker of the House the names of Congressmen whom they wanted on the Committee on Labor. To this request the Speaker gave consideration and in the main the desires of the Council were complied with.[22] Similar consideration was also given to the Federation in the appointment of the chairman of the Senate Committee on Labor.[23] When the change in the political complexion of the House of Representatives occurred about 1910-12, the Legislative Committee of the Federation was requested to interview either the chairman or some member of the Committee on Committees of the House for the purpose of suggesting the name of

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[21] "During the forenoon of August 30, the Railroad Situation Committee was notified that there would be a hearing on the Adamson bill before the Senate Committee on Interstate Commerce the following morning at nine o'clock. Members of the committee near enough to Washington to be present at the hearing were communicated with and Messrs. Downman and Weed with General Secretary Goodwin attended the hearing. Mr. Weed filed the following statement with the Senate Committee on behalf of the Chamber of Commerce: (letter omitted.) With this letter the formal record of the activities of your committee is complete." *Annual Report, Board of Directors,* 1927, pp. 66-7.

[22] *History, Encyclopedia, Reference Book,* Vol. I., p. 272.

[23] In fact, the Committee on Labor of the House of Representatives was created at the request and insistence of organized labor about 1893. "Abstract of President Gompers' Testimony, etc.," *American Federationist,* Vol. XX, p. 1019.

Representative W. B. Wilson as chairman of the Committee on Labor. This was done and Mr. Wilson was elected chairman of that committee.[24] As a rule the Federation did not make selections or recommendations of names other than those for chairmen. Referring to the situation in 1913 President Gompers stated:

> Relative to the appointment of the Committee on Labor in the present Congress, the Legislative Committee consulted, at our request, with the chairman or a member or members of the Committee on Committees of this House and suggested the names of either Mr. Lewis of Maryland, or Mr. Buchannan of Illinois, with the preference, if any, in the order named.[25]

and a little farther on in the course of his testimony added the significant statement that:

> Every person whom our organization has indorsed for the chairmanship of the Committee on Labor has been appointed.[26]

Inasmuch as a great many of the measures in which the Federation is interested would naturally be referred to this committee, the dictation of committee chairmanships as well as committee personnel goes a long way toward insuring favorable consideration of a labor measure in its earlier stages.

As we have already seen, there are a number of members of the House of Representatives who are members in good standing in trade or labor unions. In order to mobilize strength within the House in the most effective manner possible, the Federation has followed the practice at different times of holding meetings with these representatives for the purpose of considering measures of interest to Labor and working out methods of legislative procedure.[27] The Chamber is also advantageously situated for such meetings. In 1926 there were seventeen Congressmen who were National Councillors of the Chamber, sixteen members of the House and one Senator.[28] Curiously enough there were also exactly seventeen members of trade unions in both Houses at the time. In commenting upon this situation the Chamber stated:

> In England as well as in other European countries business has a much larger place in the national legislative bodies than is the case in the United States. For instance in the last previous Parliament, one hundred and ten members in both houses were interested, directly or indirectly, in the ship-

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[24] *Ibid.*, p. 1020.
[25] *Ibid.*, p. 1022.
[26] *Ibid.*, p. 1023.
[27] *Ibid.*, p. 1019.
[28] *Week's Work*, Vol. I, No. 15, p. 5.

ping industry alone. Probably business men will never make up any considerable percentage of the membership of Congress. Yet it is reassuring to know that at present seventeen members are closely affiliated with business association activities.[29]

Both the Chamber and the Federation assist legislators in the preparation of their addresses by furnishing them with material. According to one official of the Chamber even a President of the United States sometimes included in his messages to Congress extracts from literature provided by the organization. Sometimes the failure to supply material at the appropriate time, or the disposition to allow particular legislators the right to use material gives rise to ill feeling and misunderstandings. The writer was witness upon one occasion to a heated complaint by a member of the House of Representatives because of the apparent failure of the Federation to furnish him with promised material for a speech. His wrath was aroused because he was forced to give up an hour which he had succeeded in reserving for delivering the speech, and further incensed because it appeared that the material had been furnished to another Congressman.

Still another method used by both Chamber and Federation in influencing legislation consists in bringing pressure to bear upon the President. The Chamber, in particular, has been in a position to make use of the President's influence to a marked degree. As a result of its first referendum, the Chamber became committed to National Budget legislation. In attempting to realize this objective, the Committee on National Budget conferred with President Wilson and learned his favorable attitude during the spring of 1915.[30] Impressed by the activities in allied countries directed toward the setting up of agencies to study economic conditions arising out of the war, officers of the Chamber conferred with the President during the year 1918, and subsequently recommended to him the appointment of a President's Commission to act solely in an advisory capacity.[31] On August 20, 1923, a committee representing the Chamber conferred with President Coolidge and laid before him in some detail the policies to which the Chamber was committed at that time.[32] In the spring of 1923 the Board had decided that during that year prominence would be given to the subject of taxation, and in accordance with this decision the Chamber's proposals were placed before the President and the Secretary of the Treasury.[33] In important respects the recommendations subsequently made by the Secretary of the Treasury were in accordance with these proposals.[34] The position of the Chamber on the question of bonus legislation was placed before the President in April, 1924, asking that he veto the bill on both economic and moral grounds as his predecessor had done, accompanying the letter with a brief in support of the request.[35]

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[29] *Ibid.*

[30] *Annual Report, Board of Directors,* 1916, p. 18.

[31] *Ibid,* 1919, p. 7.

[32] *Ibid.,* 1924, pp. 4-5.

The following account of a conference with the President on November 15, 1926, appeared in an issue of *Week's Work*:

> President O'Leary and Vice-President Ellis visited the White House on November 15 to place before President Coolidge the position of the National Chamber on business subjects which will come before the coming session of Congress. They stayed with the President for half an hour and had a full talk with him on the various subjects. They took with them to the White House a written statement covering each of the questions presented and talked with the President at some length about them. . . . The newspapers gave first-page space to the White House visit, calling the statement the legislative program of American business.[36]

Relations between the President of the United States and the Chamber have been most cordial during the last few years, and there seems to be a feeling of confidence on the part of the President in the program and aims of the organization. In reply to a letter from the President of the Chamber to the President commending the latter's stand upon the matter of Congressional investigations, the President stated:

> Your letter of the 14th instant just received, informing me of the attitude of the Board of Directors of the United States Chamber of Commerce, brings me cheer and encouragement. I am glad to know of the vigorous indorsement and determination to support the administration's efforts. I have been greatly pleased to observe the many evidences which come here indicating that the attitude of the Chamber of Commerce very accurately reflects that of public opinion generally.[37]

The importance of making the President of the United States cognizant of group aims has long been recognized by the American Federation of Labor, and even before its organization Mr. Gompers, with whose name the history of the Federation is so closely linked, was usually on more or less familiar terms with the Chief Executive. During the administration of President Grant, the Workingmen's Union of New York and the New England Eight-Hour League sent Mr. Gompers to Washington to present their position upon the eight-hour law.[38] On two occasions he called upon President Hayes at the White House in order to discuss labor problems, industrial problems, and politics.[39] During the presidencies of Garfield, Arthur, Cleveland, and Harrison, the relations between Gompers and the head of the government were not close and he had no personal interviews with the President at the White House. With regard to relations existing during McKinley's term of office Mr. Gompers has stated:

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[33] *Ibid.*, p. 9.

[34] *Ibid.*

[35] *Ibid.*, p. 14.

[36] *Week's Work*, Vol. I, No. 11, p. 1.

[37] *Annual Report, Board of Directors*, 1924, p. 37.

> During President McKinley's term I had as good opportunity to meet with him to discuss important matters as I have ever had with any President of the United States. He would frequently ask me to the White House to see him and sometimes I would ask for that privilege. At no time was I disappointed.[40]

In 1898 Mr. Gompers, then President of the American Federation of Labor, accompanied by members of the Executive Council, presented to President McKinley the need for certain labor legislation, and at the request of the President a memorandum of these needs was turned over to him for use in connection with the preparation of his message to Congress.[41] Again, after the close of the Spanish American War, in company with Carl Schurz, Francis Thurber, Ralph Easley, and some others, he conferred with the President respecting the basis of the terms of the treaty of peace with Spain.[42]

Concerning his relations with President Roosevelt, Mr. Gompers informs us:

> During no Administration did I make more frequent visits to the White House than during that of President Roosevelt. He would most informally send me word that he wanted to see me, and we would talk over a subject to which he was for the time giving his unreserved attention. Such discussions were always man to man.[43]

On at least one occasion President Roosevelt read to him portions of a message which he was preparing for Congress, and, as a result of the discussion that followed, certain portions of the speech were changed.

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[38] Samuel Gompers, *Seventy Years of Life and Labor*, Vol. I, pp. 517-18.
[39] *Ibid.*, p. 519.
[40] *Ibid.*, pp. 522-23.
[41] *Ibid.*, p. 525.
[42] *Ibid.*, pp. 525-6.
[43] *Ibid.*, p. 529.

On one occasion Mr. Gompers, together with James Duncan and John Mitchell, visited the President at his home in Oyster Bay, Long Island, where they enjoyed the hospitality of Roosevelt and his family. Several times there were interviews at the White House lasting many hours, one in particular which lasted from noon until midnight and resulted in action helpful to the government and people of Porto Rico.[44] At the request of President Roosevelt, Mr. Gompers attended a conference of governors in 1908 and also served on the Executive Board of the Nobel Peace Foundation.[45] In later years the relations between the two became somewhat strained, but mutual respect and admiration were never lacking.

An interesting sidelight is thrown upon the pressure activities of groups in their relations with the Chief Executive by the following incident described by President Gompers. On February 13, 1913, in compliance with a request from the White House, Mr. Gompers called upon the President and was asked to lend his influence in support of a workmen's compensation law that Mr. Taft was very anxious to have passed. In particular he was asked to use his influence with Speaker Clark to expedite the passage of the bill through the House. Mr. Gompers took the opportunity at this time to request permission to present his views on a pending immigration bill and a so-called smoker bill, the latter of which the President promised to sign immediately. Following out the request of the President, Mr. Gompers conferred with Mr. Clark, who in turn suggested that he see the chairman of the Committee on Rules for the purpose of having him bring in a specific rule for the consideration of the workmen's compensation bill by the House of Representatives.

> I then went to the office of the House Committee on Labor. There I met Mr. Wills and the members of the Federation Legislative Committee, Mr. Wilson, and Mr. Farley of the United Mine Workers. We discussed compensation bills and a resolution to order an investigation into the mining situation in West Virginia. Then we went over to see Mr. Henry (chairman of the Committee on Rules). We learned that he was engaged in the House and could not see us until about three o'clock. In the meanwhile we went over to see Senator Borah, chairman of the Senate Committee on Education and Labor, and conferred with him about the investigation of the West Virginia situation. We thought it wise to have the investigation ordered by the Senate, which was a continuous body and could authorize a survey to

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[44] *Ibid.*, pp. 530-1.

[45] *Ibid.*, p. 531.

continue after the close of the session of Congress. Senator Borah took the resolution under consideration.[46]

At three o'clock that afternoon President Gompers and those accompanying him had their conference with the chairman of the Committee on Rules and everything possible was done to expedite the passage of the bill.

In connection with the passage of the bill creating the Department of Labor in 1913, a conference between President Taft and Mr. Sulzer and Mr. Gompers probably had a great deal to do with the final signing of the bill by the President.[47]

Speaking of his relations with President Wilson, Mr. Gompers has written:

> I have never known a man either within or without the White House with whom it was so satisfactory to co-operate upon big matters as with President Wilson. He instinctively assumed that I would not present to him either in person or in writing any proposal which I did not think of first importance and in which I did not wholeheartedly believe myself. Therefore, any communication from me received personal and early consideration.[48]

Conferences with President Wilson were numerous, and the relations between the President of the United States and the head of the Federation always remained close and friendly. During the war President Gompers was appointed a member of the Advisory Commission to the Council of National Defense and the re-election of President Wilson in 1916 was attributed by the Secretary of Postmaster-General Burleson to the influence of Mr. Gompers more than to anyone else.[49] Although the Federation opposed the election of President Harding, Mr. Gompers was associated with him on several occasions, conferred with him, and was by him appointed as one of the Advisory Commission to the American delegation at the Disarmament Conference held in Washington in 1921. Early in the administration, however, the President made it clear that he regarded Mr. Gompers as an opponent, and further audiences with him were discontinued.[50] When Mr. Coolidge succeeded to the Presidency after the death of Mr. Harding, Mr. Gompers had an early opportunity to confer with him at some length, and on another occasion at the specific request of the Chief Executive discussed important measures that were affecting labor.[51]

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[46] *Ibid.*, p. 541-42; also referred to in "Abstract of President Gompers' Testimony, etc.," *loc. cit.* p. 1001.

[47] *Ibid.*, p. 543.

[48] *Ibid.*, p. 547.

[49] *Ibid.*, p. 549.

[50] *Ibid.*, p. 555.

This survey of the more important methods that are used by the Chamber and the Federation is by no means complete. Each particular type of legislation requires its own specialized technique. In general, however, these several methods comprise those that are most commonly used by the Chamber and the Federation.

2. MOLDING PUBLIC ADMINISTRATION

Group agencies have been quick to realize the ineffectiveness of legislation that is not supported by sympathy and efficiency on the part of the administrative branches of the government. It is not enough merely to secure the passage of laws in line with group objectives. The administration of these laws must be made to conform with their spirit, and this necessitates adequate, capable, and understanding administrative services. Not infrequently legislative acts leave to various departments of the government wide discretionary powers. The group agency is vitally interested in the attitude of the personnel within these departments, for this attitude will have a great deal to do with the interpretations placed upon these discretionary powers. The machinery of group pressure, therefore, is directed not only toward the election of officials and later to the passage of laws, but also toward influencing and molding the work of public administration.

There are many methods to be used in carrying out this general purpose. In the first place, the general efficiency of governmental procedure is usually recognized as having a direct bearing upon the services which the government may render the group. This gives rise to attempts to improve administration in the public service. In the second place, efforts are frequently made to enlarge and improve the scope as well as the activities of a governmental department or commission. Again, pressure may be brought to bear to have additional governmental agencies created, or attempts may be made to adapt existing services of the government in a more satisfactory fashion to the needs of the group by means of advisory committees, conferences, and the exercise of influence over the selection of public officials. Finally, the group may seek to prevent administration of a law in such a manner as to work an injustice on its membership. We shall now examine the ways in which these several methods have been actually utilized in the recent history of the Chamber and the Federation.

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[51] *Ibid.*, pp. 556-57. Mr. Green has also been in close touch with the administration. President Hoover, as well as President Coolidge, has frequently called him to the White House for conference.

On the whole, the Chamber has been more active in its attempts to improve the efficiency of governmental machinery than has the Federation. The reasons for this are not hard to discover. Every increase in governmental efficiency decreases wasteful expenditures and enhances the possibility of reduced taxes or makes possible administrative services not otherwise feasible. Many of the policies of the Chamber have been related either directly or indirectly to the matter of taxation and have had in mind the reduction of these charges or a change in their mode of application.[52] Perhaps no better illustration of Chamber activities in the interest of administrative efficiency could be cited than its furtherance of the movement for the adoption of a national budget system. Although agitation for such a system antedated the existence of the Chamber, it was made the subject of the first referendum, and, following the adoption by the membership of the principles set forth therein, persistent pressure was applied until its final enactment into law on June 10, 1921.[53] This law conformed very closely to the principles advocated by the Chamber, and its operation has been followed markedly by the organization.

The Federal Civil Service has also received the attention of the Chamber. On April 22, 1921, a referendum was submitted including a list of principles suggesting a complete recasting of the processes according to which federal employees were selected and managed.[54] Some of these proposals have since become law. Almost from its beginning the Chamber has been interested in the postal service and its efficient operation. Resolutions relating to the work of this governmental department were introduced at the eleventh annual meeting and made the basis of a special committee report, which in turn was submitted to the membership in a referendum.[55] In fact, a great many departments have felt the influence of the Chamber in its drive for governmental efficiency during the years since its establishment, and this pressure is reflected in the present-day functioning of such agencies as the Department of Commerce, the consular service, the Federal Trade Commission, the Federal Reserve Board, and the Tariff Commission.

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[52] For example, Referenda Nos. 34, 36, 46, 49, and 50.

[53] *Annual Report, Board of Directors*, 1922, pp. 15-16.

[54] *Ibid.*, p. 24, Referendum No. 35.

[55] *Ibid.*, 1925, p. 38.

The Federation of Labor has not displayed such an intense interest in these types of administrative efficiency as the Chamber. Taxes do not loom so forebodingly in the minds of the Federation membership, and efficiency records partake too much of the capitalistic taskmaster to inspire much interest or support from the organization.[56] The pressure of the Federation is to be found directed rather toward the improvement of conditions of employment within the civil service,[57] standardizing or increasing salaries and wages, shortening the hours of labor, generalizing favored principles of promotion, transfer, and retirement; or toward the furtherance of activities within the Department of Labor or such bureaus as the Bureau of Mines, which affect the interests of labor more immediately.[58]

A second method of molding the forms of public administration to bring them into accord with the assumed needs of the group is by encouraging the extension of services of direct interest to the group membership. The application of this method is well illustrated in the histories of both the Federation and the Chamber. Very soon after its organization, the Chamber of Commerce undertook through a special committee a study of the Department of Commerce and its various bureaus to ascertain in what ways the work of the Department could be made more useful to business.[59] On November 8, 1913, this committee recommended a substantial extension of the activities of the Bureau of Foreign and Domestic Commerce, a recommendation which was subsequently indorsed by the Chamber in a referendum vote.[60] The report itself, it may be noted, was prepared in co-operation with the Secretary of Commerce, and the results of the referendum were placed before committees of Congress by the Secretary of Commerce as well as by the National Chamber.[61] The appropriations that were recommended were in large part provided for by Congress.[62]

Somewhat later the special committee of the Chamber on the Department of Commerce recommended further increases in the staff and services of the Bureau of Foreign and Domestic Commerce which were indorsed by the membership and later carried out in the organization and work of the Bureau.[63] In the preparation of this second report, the Committee proceeded in close touch with the Bureau itself through its own Secretary and the office force of the Chamber in Washington. Frequent and extended conferences were held with the Chief of the Bureau and with the Secretary of Commerce.[64] As a result of the Chamber's efforts in this connection, the appropriations for the Bureau were increased from the sum of $174,000 in 1913 to $1,658,000 in 1920. Of course, it would not be accurate to infer that these increases were due entirely to the activities of the Chamber, but there can be no question as to the importance of its influence. During this period there developed in Congress various plans for curtailing the activities of the Bureau, but in the face of vigorous opposition from the Chamber these proposals were defeated.[65]

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[56] For attitude of Federation relative to application of Taylor system to certain types of governmental employment see *History, Encyclopedia, Reference Book,* Vol. I, p.372.

[57] For summary of labor legislation affecting these matters see *Ibid.,* Vol. I, pp. 330-33; Vol. II, pp. 155-56.

[58] *Ibid.*

[59] *Referendum Pamphlet No. 5,* p. 1.

[60] *Referendum Bulletin No. 5.*

[61] *Referendum Pamphlet No. 10,* p. 3.

[62] *Ibid.*

Shortly after the beginning of President Harding's administration, the Secretary of Commerce, Mr. Hoover, invited the Executive Committee and such members of the Board of Directors as could attend to an informal conference in Washington to discuss plans for securing more effective service on the part of the Department of Commerce to business. As a result of this conference, the President of the Chamber was authorized to appoint a committee to confer with the Secretary of Commerce from time to time. Various conferences were held by this committee with the Secretary of Commerce, and various plans were developed looking toward closer co-operation between the Department and representative business organizations.[66] Finally plans were worked out for the establishment within the Bureau of Foreign and Domestic Commerce of twelve commodity divisions, an increase in the number of assistant directors, provision for an expert in foreign laws, and the recall for services in Washington of two commercial attachés and two trade commissioners, all of which would involve increased appropriations of $250,000. These plans were approved by the Board, and, sponsored by the Chamber's Foreign Commerce Department, they were finally enacted into law. Numerous other illustrations might be cited of instances of co-operation between the Chamber and the Department of Commerce, as well as other Departments of the Government, looking toward the improvement of, or change in, administrative organization and the extension of activities in the interest of the group.

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[63] *Referendum Bulletin No. 10.* For a description of the work of this committee see "Working with the Department of Commerce," *Nation's Business*, February, 1916, p. 70.

[64] This committee also undertook, with the consent and support of the Secretary of Commerce, an investigation of the Steamboat Inspection Service of the Department of Commerce. *Annual Report, Board of Directors*, 1917, p. 24.

[65] *Ibid.*, 1920, pp. 17-18.

[66] *Ibid.*, 1921, p. 30.

During the year 1924-25, the Chamber's attention was called to the need for supplementary appropriations to cover a shortage of funds for the printing of Bureau reports. This matter was accordingly taken up with the Director of the Bureau of the Budget, pressure was brought to bear upon Congress, and the appropriations were granted.[67] At the fourteenth annual meeting of the Chamber held in Washington during the month of May, 1926, a resolution was adopted favoring legislation that would establish definitely and permanently a Foreign Commerce Service of the United States for commercial attachés and trade commissioners, such officers to be appointed by the Secretary of Commerce after their eligibility had been determined by examinations conducted by the Civil Service Commission and the Department of Commerce jointly. This policy finally became law on March 3, 1927.[68] As a result of these and other efforts of the Chamber of Commerce, the functions of the Bureau of Foreign and Domestic Commerce have been steadily expanded along lines initiated by the Chamber, the extent of which is indicated by the increased appropriations that have been granted to this Bureau by Congress.[69] Likewise the organization and working of the Department of Commerce, as well as other Departments, have been made more adaptable to the needs of the Chamber membership, and co-operation between government and business has reached a higher plane of usefulness.

From its inception the American Federation of Labor has always been solicitous for the Department of Labor at Washington and, like the Chamber, has endeavored whenever possible to expand its activities in such a way as to benefit labor. Although there is some question as to whether the Federation was solely responsible for the creation of the Bureau of Labor in 1884, which later became the Department of Labor in 1888, the efforts of that organization have always been directed to-

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[67] *Ibid.*, 1925, pp. 43-44.

[68] *Ibid.*, 1926, pp. 9-10.

[69] Appropriations for the Bureau have increased as follows:

1913	$ 174,000.00
1919	900,000.00
1922	1,228,510.00
1926	2,994,064.00

ward increasing its power and influence.[70] From 1896 down to 1913, when a Department of Labor with its head a member of the President's Cabinet was created, the Federation worked consistently and vigorously toward the accomplishment of that result. During the years 1896 and 1897, a bill to create a Department of Labor with its Secretary a member of the Cabinet was presented to Congress under the direction of the Federation. However, in 1903, against the wishes of the Federation, the Department of Labor then existing was absorbed in the newly created Department of Commerce and Labor. Finally, in 1913, the desired separation of the Department of Labor from the Department of Commerce was effected, and the long struggle of the Federation to that end came to a successful termination. The influence of the Federation in this result may not be doubted. In addition to the customary types of pressure brought to bear upon Congress, President Gompers extracted from President Taft a promise to sign the Department of Labor bill if the labor proviso of another bill was struck out.[71]

At the time that this measure was passed, no provision was made for paying salaries, maintaining quarters, or performing in general the varied duties of the Department. The application of pressure finally resulted in the passage of a small appropriation for this purpose. Since that time the efforts of the Federation have been directed toward securing increased appropriations for this Department in order that its functions might be performed more adequately. In these efforts the Federation has had varied success. For some time after the creation of the Department, the funds that were available were comparatively small. And it has been only since the War that they have been in any measure adequate for the needs of the Department as conceived by that organization. During the War determined efforts were made to extend the services performed by the employment service, but without much success. And in the report of the Executive Council for 1920, considerable concern was expressed over the refusal of Congress to grant the appropriations requested for certain bureaus. In the end the Federation was successful in securing slight increases in the appropriations for the Conciliation Division and in forestalling certain efforts to "scrap the Department of Labor."

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[70] See *History, Encyclopedia, Reference Book,* Vol. I, pp. 195-96; Vol. II, pp. 66-68, Samuel Gompers, *Seventy Years of Life and Labor,* Vol. II, pp. 227-32; W. B. Catlin, *The Labor Problem,* p. 480.

[71] Report of the A. F. of L. Legislative Committee, *American Federationist,* Vol. XX, No. 4, pp. 277-78, April, 1913. Samuel Gompers, *op. cit.,* Vol. II, pp. 292-93.

Not only may the group undertake to increase the efficiency of public administration in so far as it affects the interests of the group, and to extend the functions and services of certain administrative departments, but it may also endeavor to encourage the creation of additional governmental agencies. This has already been evidenced to some extent in connection with the activities of the Chamber and the Federation relative to the Departments of Commerce and Labor. We have already noted the part played by the Federation in the creation of the present Department of Labor. Mention might also be made of the Bureau of Mines, in the creation of which the Federation played an important part; the Women's Bureau in the Department of Labor; the Bureau of Labor Statistics; and other agencies in relation to which the organization has a definite interest. It naturally follows that the group will likewise oppose the creation of public agencies which it feels will function to its disadvantage. This explains the hostility of the Federation to such administrative services as the Bureau of Efficiency.

In addition to the activities of the Chamber in connection with the Department of Commerce and its related bureaus, the organization has been quite definitely interested in the creation of new Federal agencies. As a result of a referendum submitted early in 1913, the Chamber became committed to the proposition of a permanent Tariff Commission, and after a short period of campaigning was able to announce in 1917 the successful outcome of its efforts.[72] Other bureaus or departments of the Federal Government have received the attention of the Chamber. Early in 1923 the group became committed through referendum to the proposal for a Federal Department of Education with a Secretary in the President's Cabinet.[73] A Federal Board for Vocational Education, the Federal Trade Commission, and a Federal Department of Public Works constitute other administrative agencies in which the group has shown concern. In supporting proposals for such additions to the administrative machinery of the National Government, these organizations have not, of course, proceeded unaided, but have cooperated with other groups, and in some cases have left to other groups the main task of engineering the joint program. In the cases of the Federal Trade Commission and the Tariff Commission, the influence of the Chamber may be said to have been decisive.

Groups often find it expedient to bring about closer and more sympathetic relations between their agencies and the governmental bodies through the establishment of advisory committees, such committees to co-operate with the public agencies in the carrying out of certain aims. The degree of formalism attained by these arrangements varies from time to time all the way from the setting up of temporary committees to confer with administrative officials regarding some particular problem to the creation of standing committees either with or without governmental representation. The relations that have existed from time to time between the Chamber and the Department of Commerce illustrate very well this type of public and private integration. Shortly after the close of the War, permanent committees from the different trades under the auspices of the Chamber were created for the purpose of co-operating with the Commerce Department, and in some cases these committees became the agencies through which the expert heads of the different divisions within the Department were selected.[74] This co-operation between the Chamber and the Department of Commerce was also spread out over the country by means of a procedure whereby the district office managers of the Bureau of Foreign and Domestic Commerce were instructed to keep in close touch with the local secretaries of commerce, thereby bringing about a co-ordination of private initiative and governmental assistance.[75] Especially close relations were maintained between the Foreign Trade Department of the Chamber and the Tariff Division of the Bureau, and there were frequently joint discussions of general interest to the American export trade.[76]

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[72] *Annual Report, Board of Directors,* 1916, pp. 18-19; 1917, p. 20.

[73] See Pamphlet, *Policies of the Chamber of Commerce of the U. S.,* 1925.

In many instances member organizations of the Chamber prefer to maintain their own contacts with the divisions and bureaus of the Department of Commerce, and there have been times when the Department worked hand in hand with at least seventy committees chosen to represent American industries as well as other economic interests.[77] The National Association of Farm Equipment Manufacturers, for example, including within its membership 75 per cent of the concerns in the industry, maintains a direct and close contact with the Bureau of Foreign and Domestic Commerce. On at least one occasion it assisted the Secretary of Commerce in selecting the chief of the Agricultural Implements Division of the Bureau, and through personal visits there existed a continuous interchange of ideas.[78] The accompanying chart undertakes to indicate the co-operative relationships that existed between the Bureau and several branches of business in 1923. In some cases the member association may appoint its own representatives to work side by side with the officials of the Government. This was done by the Portland Cement Association, a member of the Chamber, having in various bureaus of the Interior Department scores of research officials appointed by it to represent the cement industry. These agents of the association work with the government personnel but are paid by the association. In this connection it may be well to note that at various times business associations have offered to subsidize particular administrative bureaus and agencies, provided such bureaus or agencies would carry on certain investigations desired by the association. This raises an interesting and important question of public policy. To what extent is it desirable for Congress to appropriate money to further the interests of particular groups? If there is a limit, would it be socially desirable to allow such groups to supplement departmental funds with their own?[79]

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[74] *Tenth Annual Report, Secretary of Commerce,* 1922, p. 4.

[75] *Annual Report of the Director of the Bureau of Foreign and Domestic Commerce,* 1921, p. 50.

[76] *Ibid.,* 1922, p. 23.

[77] *Ibid.,* p. 1.

In connection with a description of the relations existing between the Chamber and the Department of Commerce in particular, mention should be made of the numerous conferences that have been held, sometimes under the auspices of the Chamber and at other times under the direction and initiative of the Federal agency. During the year 1923, 335 conferences were held by the Secretary of Commerce and members of the Department with committees of various branches of commerce and industry, practically all of which were initiated by these business agencies.[80] Some of these conferences in which the Chamber participates are nation-wide in their scope, even international. The Chamber, for example, assisted in the arrangement for the Pan-American Financial Conference in May, 1915, presided over by the Secretary of the Treasury.[81] On September 3, 1919, the President of the United States addressed to the President of the Chamber a request that he should designate five representatives to sit in a conference with employees and employers, and also representatives of the public.[82] Like-

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[78] *Ibid.*, p. 38.

[79] Interesting comparisons and contrasts may be made between this problem and the existing problem of grants-in-aid to the States.

[80] *Eleventh Annual Report, Secretary of Commerce*, 1923, p. 26.

[81] *Annual Report, Board of Directors*, 1916, p. 19.

[82] *Ibid.*, 1920, p. 11.

CHART I

CO-OPERATIVE RELATIONSHIPS EXISTING BETWEEN THE BUREAU OF FOREIGN AND DOMESTIC COMMERCE AND THE SEVERAL BRANCHES OF BUSINESS IN 1923.

SPECIALTIES DIVISION

Co-operation with foreign trade committee of the National Association of Office Appliance Manufacturers and the officers of other associations in the industry.

DIVISION OF COMMERCIAL LAWS

Co-operation with committees of the Chamber and other associations, especially the National Association of Credit Men.

AUTOMOTIVE DIVISION

Co-operation with associations.

LUMBER DIVISION

Co-operation with a lumber advisory committee appointed at the suggestion of Mr. Hoover.

FINANCE AND INVESTMENT DIVISION

IRON AND STEEL DIVISION

Contact established with fifty-one associations.

AGRICULTURAL IMPLEMENTS DIVISION

Co-operation with the National Association of Farm Equipment Manufacturers.

CHEMICAL DIVISION

Co-operation with associations.

ELECTRICAL EQUIPMENT DIVISION

Almost monthly meetings with a special committee of the Electrical Manufacturers' Association.

FOODSTUFFS DIVISION

Co-operation with the National Canners' Association, and the setting up of co-operating committees.

HIDE AND LEATHER DIVISION

Co-operation with the Tanners' Council of America.

INDUSTRIAL MACHINERY DIVISION

PAPER DIVISION

PETROLEUM DIVISION

RUBBER DIVISION

Former connection of the chief of the division with the Rubber Association of America facilitated the establishment of close relations with the trade. These are maintained by constant participation in the monthly meetings of this association.

SHOE AND LEATHER MANUFACTURERS' DIVISION

Co-operation with the National Boot and Shoe Manufacturers Association of the United States and other associations. Use of conferences and advisory committees.

TEXTILE DIVISION

Co-operation with fifty textile trade associations.

TRANSPORTATION DIVISION

Co-operation with the American Railway Association, committees representing agriculture, etc., and export associations, advisory committee appointed by the Tanners' Council.

wise, at the unemployment conference called in August, 1921, under the immediate direction of the Secretary of Commerce, the Chamber had its representation appointed by President Harding;[83] and the transportation conference in 1922 was formed under the direction of the President of the Chamber, composed of representatives from the various industries, and maintaining close contacts with the Department of Commerce, the Interstate Commerce Commission, and other agencies of the government.[84] Following the settlement of the coal strike in 1922, the Chamber gave its services to the Federal Administration, and the Executive Committee of the Chamber on the fifteenth of September joined in a conference at the Department of Commerce with the Secretary of Commerce, Commissioner Aitchison of the Interstate Commerce Commission, and the Federal Fuel Distributor. At this conference the National Chamber was asked to take the leadership in the attempt to solve certain phases of the coal problem and subsequently kept in close touch with the Coal Commission appointed by Congress to investigate the whole problem, and among other things assisted that body to collect its information.[85] The number of conferences in which the Chamber participates and co-operates appears to be increasing, and this type of relationship may well become the accepted method of private and public co-operation in matters of this kind.[86]

In addition to the establishment of close contacts with the Department of Commerce as described, the Chamber has also furthered its intimacy with the processes of public administration by setting up advisory relationships with other Federal departments. Considerable incentive was given to this tendency during the war. Early in 1917 President Rhett tendered the facilities of the Chamber to Secretary of War Baker, and shortly after this the Secretary of War asked the Chamber to arrange for the setting up of advisory committees on the purchase of army supplies.[87] At the War Convention of American Business, held under the direction of the Chamber, the Director of the Council of National Defense invited the Chamber to co-operate with that body through the formation of committees representative of the different industries.[88] Furthermore, in order to enlighten business in regard to governmental needs, the Chamber was asked to provide as a medium some man who would act as assistant to the Director of the Council of National Defense.[89] Early in the period of the War, a War Shipping Committee was organized by the Chamber to co-operate with the United States Shipping Board; and this committee, like so many others, was to act in an advisory capacity to the Shipping Board.[90]

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[83] *Ibid.*, 1922, p. 16. As a result of this conference a committee was appointed to make a study of the situation on which representatives of the Federation and the Chamber served. It is significant to note that part of the cost of his work was borne by the Carnegie Foundation. *Eleventh Annual Report, Secretary of Commerce,* 1923, pp. 32-33.

[84] *Annual Report, Board of Directors,* 1923, p. 5.

[85] *Ibid.*, pp. 7-8.

[86] See above for a discussion of the conference technique.

[87] *Annual Report, Board of Directors,* 1918, pp. 5-6.

Before and since the War, co-operative arrangements similar to those described above existed between the Chamber and the administration. Shortly after the establishment of the Federal Trade Commission, the Board of Directors, after consulting with the Commission and learning of their favorable attitude, appointed a Federal Trade Committee which kept in close touch with the activities of the Commission and from time to time conferred and advised with that body.[91] Other governmental agencies such as the Department of State, the Federal Reserve Board, the Federal Farm Loan Board, the Budget Bureau, and even the Veterans' Bureau maintain close relations with the Chamber by means of personal conferences or standing advisory committees.[92] Enough instances have been given to illustrate the type of arrangements that exists and the procedure involved in welding the policies of the public and private agencies together.

So far as the Federation is concerned, there are few instances of the establishment of any formal advisory contacts with administrative departments. The Federation, of course, maintains very close contacts with the Department of Labor and the Department of Commerce, but these relationships are seldom formal in character. The first Secretary of Labor, William B. Wilson, under President Wilson, was a member of the United Mine Workers of America; and the Secretary of Labor during the administrations of Harding and Coolidge, Mr. Davis, although not an active member in any trade union, still retained his membership in the Amalgamated Iron and Steel Workers' Union. So far as this Department is concerned, close relationships are maintained by reason of the influence of the Federation over the personnel and the general understanding that results therefrom.

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[88] *Ibid.*, p. 9.

[89] At the time the Armistice was signed, more than 400 of these committees had been organized. *Ibid.*, 1919, p. 3.

[90] *Ibid.*, 1918, p. 18.

[91] *Ibid.*, 1919, p. 13. See also *Nation's Business*, April 15, 1915, p. 8; February, 1916, pp. 63-65. The following statement is taken from the last reference:

> "Your committee occupies a singularly delicate position, having no authority for its existence in the law, and no relationship to the Federal Trade Commission except that which the Commission may create out of its good will toward the Chamber of Commerce of the United States. The Committee has, therefore, judged its task to be preparedness for active service rather than aggressive effort to insert itself into the work of the Commission. To this end the Committee as a whole and in subcommittee has met with the Federal Trade Commission as often as opportunity offered or occasion required, has kept in close touch with the work of the Commission, and attended many of the hearings in Washington and elsewhere."

[92] *Ibid.*, 1923, pp. 17-19. At the request of President Coolidge a permanent committee was created to co-operate with the Veterans' Bureau. *Ibid.*, 1924, p. 14.

As in the case of the Chamber so in the case of the Federation, representatives of the latter have been members of various conferences, some called by administrative departments, some by other groups, but very few by the leaders of the Federation itself. Mention might be made at this point of the President's Agricultural Conference convened during the month of January, 1922; the President's Industrial Conference summoned by President Wilson for meeting during the month of October, 1919; and the Unemployment Conference already referred to above. At each of these the Federation was represented, but under conditions that would hardly facilitate the further harmonizing of relationships with the various administrative departments. In the future, as the program of the Federation tends to broaden out on a more widely constructive basis, it may well happen that the organization will center its efforts more and more upon attaining a closer co-operation with Federal Departments. It should not be inferred, however, that the limits now set to this co-operation are altogether due to the prevailing attitude of the Federation itself at this time. There is every reason, however, to suppose that even today access to the centers of public officialdom are much smoother and easier for the Chamber than for the Federation.

A final method that may be mentioned, by which the two groups considered undertake to influence public administration, is through the insertion of various kinds of impedimenta in the path of administration, whenever such administation appears to be working a hardship on the membership of the group. In the case of the Chamber, this may take the form of a mere refusal to co-operate and a consequent attempt to change the personnel of the public agency in question. As we have already noted, the Federal Trade Commission was advocated by the Chamber as a result of a referendum conducted in 1914. For some time after the creation of this Commission, the Chamber, through an advisory committee, worked in close harmony with it. By 1918, however, the relations between the two became strained, and, because of the policies pursued by the members of the Commission, the Chamber severed its pre-existing connection with it and undertook to change the policy and personnel of the Commission by issuing a report to the President and the press "with a view to placing the facts before the President and the public." "In issuing the report of the committee to the President and the press, the Board sought not merely a return to the policy of the Commission as first appointed, but the filling of the two vacancies then existing by men of tried business experience."[93]

The Federation becomes especially concerned whenever the conduct of any administrative department proceeds in such a manner as to affect Federal employees, especially those associated with it in affiliated unions, in a fashion contrary to the policies of the Federation. The attempt on the part of the government to introduce efficiency systems, increase the hours of labor, reduce compensation, or introduce other plans out of harmony with the Federation program, generally results in the application of as much pressure as the Federation can mobilize to defeat these innovations or retrogressions as the case may be.[94] The National Federation of Post Office Clerks, organized in 1906, affiliated at once with the Federation and has since maintained close relations with it.[95] The National Federation of Federal Employees, organized in 1917, has, under the leadership of the Federation, been able to effect changes in the wages and working conditions of employees in the Federal service.[96] Other civil service unions affiliated with the Federation are the National Association of Letter Carriers (1890); the Railway Mail Association (1899); and the National Federation of Rural Letter Carriers. Table XII undertakes to show in round numbers based on the voting strength of the unions the changes in membership since 1917.[97]

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[93] *Seventh Annual Report, Board of Directors,* 1919, pp. 13-15.

[94] In its reconstruction program the Report of the Executive Council stated:

> "The fixing of wages, hours, and conditions of labor for public employees by legislation hampers the necessary exercise of organization and collective bargaining, and must not be limited in the exercise of their rights as citizens."

History, Encyclopedia, Reference Book, Vol. II, p. 255. The Federation has assisted the Federal employees in preventing the introduction of the bonus and stop-watch systems, *Proceedings,* 1921, p. 119; has assisted them in their fight for bonuses since the war, *Ibid.,* 1919, p. 132; 1920, p. 107; 1921, p. 114; has fought against bills to lengthen workday without pay for over-time, *Ibid.,* 1919, p. 132; and has opposed efficiency systems designed to speed up the work of the employees. *History, Encyclopedia, Reference Book,* Vol. I, p. 81.

[95] Leonard D. White, *Public Administration,* pp. 369-74.

[96] *Ibid.*

[97] Compiled from data supplied in the several reports of the proceedings of the annual conventions of the American Federation of Labor.

These illustrations of group activity centering around certain administrative departments of the Federal Government in which the agency is particularly interested suggest certain rather significant tendencies and raise some important problems. In the first place, there may be observed the gradual development of a new attitude on the part of social groups toward the government, especially toward the administrative branch of it. Public administration, so far as the group is concerned, is assuming a new relationship to the congeries of groups that go to make up modern society. The laissez faire attitude, however much it still persists with reference to the legislature, may no longer be regarded as the dominant pattern of the mental processes of the group with reference to public administration. Positive service functions by the government are emphasized as never before as the quid pro quo of political obedience and financial support. The group, instead of supplanting the state, is projecting its purposes and objectives into the government and insisting that the government perform definite services for it. At the same time that the leaders of the Chamber and the Federation are pleading for "self-government" they are insisting that the administrative branches of the state perform an increasingly large number of services for them

TABLE XII

FEDERATION MEMBERSHIP IN THE FEDERAL CIVIL SERVICE FROM 1917 TO 1927

	National Federation of Federal Employees	National Association of Letter Carriers	National Fed'ation of Rural Letter Carriers	National Federation of Post Office Clerks	Railway Mail Association	Totals
1917 ...	8,100	2,500	....	....	....	10,600
1918 ...	10,900	30,500	....	....	9,400	50,800
1919 ...	20,400	30,700	....	14,500	13,400	79,000
1920 ...	38,500	32,500	300	16,200	14,400	101,900
1921 ...	33,000	32,500	1,600	17,000	15,000	99,100
1922 ...	25,000	32,500	1,000	17,800	16,600	92,300
1923 ...	21,200	32,500	600	18,000	16,700	89,000
1924 ...	20,800	32,500	....	20,000	17,900	91,200
1925 ...	20,200	32,500	....	23,700	19,100	95,500
1926 ...	17,900	40,000	....	27,900	19,500	105,300

Total number of Federal Employees, 1925	564,718
Largest number ever affiliated with A. F. L.	105,300

as agents of the group. On the one hand, as they seek to curtail the legislative, regulatory functions of the state, they endeavor to enlarge the service, and administrative functions. Does this mean that legislative control over administration is being supplanted by group control? Probably not. But it does mean that as time goes on we shall probably witness an ever widening area of administrative activity, directed to an ever increasing extent by organized groups, now acting through the legislature, now bringing pressure to bear directly upon the Department or Commission.

It follows from what has been said that the task of balancing the relative interests of different groups becomes not only a legislative but also an administrative problem. Group competition will no longer be confined to the vestibules and corridors of the Senate and the House of Representatives. It will be found everywhere thoughout the broad field of public administration. But what machinery is at present provided for effecting this balance? Are groups to depend upon their own financial, intellectual, and voting strength in order to insure adequate and proportionate consideration of their demands, or will some machinery be set up whereby administrative officials as well as legislators will be able to sift the mass of conflicting requests, and construct from them administrative policies consistent with the public interests? We see today such organizations as the Chamber and the Federation, along with many others,[98] using every pressure method within their power to enlarge and expand the service scope of particular departments of the government in which they happen to have an interest. From the group point of view we may grant that these requests are legitimate. But public funds are limited and some division of their expenditure among the various groups must be effected. It is not enough to say that what is good for the group is good for the state. It would be better to say that what is good for all groups is good for the state. But that does not settle the perplexing problem of distributing limited funds among a number of competing groups.

Without any attempt to indicate the proper solution of this problem, several alternatives may be posited. In the first place, an attempt may be made to sever the more or less close relations that now exist

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[98] For example, the American Farm Bureau and the American Bankers' Association. The American Farm Bureau Federation at its annual meeting on December 7, 1927, adopted the following resolution: "We request sufficient federal funds for agriculture. We especially urge adequate appropriations for the following projects . . . . . " then follow some six projects most of which affect the work of the Department of Agriculture.

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between organized groups and the administrative services of the government, and insist that any and all approaches to administrative officials and administrative policies shall be through the medium of the legislature. Or, present tendencies may be furthered by formalizing the contacts that now exist and extending them to cover practically all branches of the administrative field. Each department of the administrative service will then be wedded to some organized group that will be looked upon as the spokesman for the interests represented by the governmental department or commission. Still another potential relationship that might be set up would be the creation of an advisory body composed of group representatives, such a body to act in an intermediate position between the legislature and the administration, advising and directing the administrative departments in their application of general laws. Whatever procedure is followed, the fundamental and all-important problem will be the setting forth of criteria according to which the proportionate influence that each group should exercise may be determined.

Democratic theory has generally assumed the legal equality of persons, and this assumption is reflected in the canon that in voting each person should have one vote. In a simple political society this assumption and the procedure that followed from it sufficed. With the rise of groups as mediums through which the "voice of the people" finds expression in laws and institutions, with the substitution of groups for persons, as the unit or base of political organization, may the same supposition be applied? Carrying over the analogy from the individual to the group, may we rightly say that each group is legally a personality, and as such entitled to an equal influence in the deliberations of the state? We have the doctrine of the sovereignty of states and the corollary of political equality; we have the doctrine of political equality as applied to individuals. Shall we follow this doctrine to the conclusion that posits the legal equality of organized groups? To do so would solve many problems, but introduce new ones.

3. SUMMARY

An examination into the methods used by the Chamber and the Federation to carry out their policies reveals the fact that execution of policies really involves the extension of the influence of the organization over the government and the public. This arises out of the fact that most Chamber and Federation policies look outward rather than inward, necessitating the control of action of non-members. Out of this situation arises a species of group competition of importance to state and group alike. It is much easier to watch the processes of applying group pressure than it is to measure the results or determine what the relative influence of the two groups should be, and how such influence can be best effected. Numerous factors affect the influence that any group exerts, such as the nature of the group, including the number of members, their financial condition, their intelligence, their cohesiveness, their objectives, and many others; the technique which the group utilizes in attempting to carry out its program; and the economic environment in which the group functions, including the status and activities of other groups.

It seems impossible to reduce these several factors to any common denominator for the purpose of measuring the influence that the group exerts or should exert. It might be supposed that the responsibility for laws enacted, officials elected, institutions altered, and changes in public psychology would be significant indices of the influence exerted by the group organization.[99] But there is no way of accurately fixing such responsibility, much less measuring the wisdom and importance of the changes made.

An examination of the technique used by the two organizations for exerting group pressure evidences, however, the pressing need for some evaluation of group activities of this sort. Both organizations have developed a more or less standardized procedure for obtaining publicity, influencing elections, controlling legislation, and molding public administration. Specialized experts in the field of propaganda are employed to generate publicity, undertake "research investigations," act as the agents for the group in approaching public officials, draft bills, and in general promote the interest of the group. Both organizations capitalize the press and other forms of publicity. The Chamber, in particular, has developed a highly skilled, expensive, and effective machinery for "educating" the public and the government. The Federation has projected a high-pressure system for bringing influence to bear upon elections, and frankly assists the "friends of labor" and opposes its "enemies." Both organizations seem to center their attention primarily, however, on securing the passage of favorable legislation or the prevention of legislation deemed inimical to their interests. Bills are drafted, communications are poured upon the desks of public officials, members of the organization are urged to bring pressure to bear upon their representatives through the constituencies "back home," hearings are followed and attended assiduously, political appointments are influenced, close contacts are maintained with public officials many of whom are members of one or the other of the two organizations, and in general every effort is made to direct the course of public policy so far as it seems to affect the group.

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[99] Both the Chamber and the Federation publish lists of their "legislative achievements," but it is impossible to determine just the extent to which each of the two organizations is responsible for the results claimed. See *Legislative Achievements of the American Federation of Labor,* pamphlet published by that organization, and the Chamber release of September 7, 1927, entitled, *Policies of the National Chamber Which have been Put into Effect.*

Both organizations have come to realize the importance not only of having sympathetic persons in public office and controlling the course of legislation, but also of guarding against what may seem to be undesirable law administration. Certain administrative departments are watched with great solicitude. Close personal contacts are maintained with those responsible for law administration. Efforts are made to increase certain administrative services and decrease others. In fact, the pressure technique of both groups is geared into the entire governmental machinery, in response, in part at least, to a real need. What this need is can be gleaned only from a full consideration of the times in which we live; the predominance and complexity of business relationships, the antiquated character of many of our governmental methods, the rigidity of our governmental system, the increasing breadth and scope of governmental functions, the newer conceptions of liberty, equality, and democracy.

It has not been the purpose of the writer to develop from an examination of only two groups a general theory of the proper relationship that should obtain between group organizations such as these and the state. Each group seems to have its own individual characteristics and problems; and valid generalizations demand further group studies. In any consideration of this problem, however, it seems especially necessary to keep in mind its dynamic character, the ever changing character of the individual groups, and the milieux in which they function. If this study has called attention to the importance of group activities in the life of the state; has familiarized others to some extent with the more or less typical activities; has called attention to some of the problems; and through the medium of a picture portrayal of the relationships of state and group focused attention on some of the evils and merits in existing practices, it will have served its purpose. After all, is there any other evaluation than the pragmatic?

V. SOCIAL AND POLITICAL IMPLICATIONS

Chapter IX

POLITICAL RELATIONSHIPS OF STATE AND GROUP

The purpose of the foregoing chapters has been fourfold: first, to describe in some detail the essential characteristics of the Chamber and the Federation as they have been revealed in the evolution of these unofficial agencies; secondly, to indicate the geographical distribution of the membership of these two organizations in relation to their potential strength; in the third place, to portray the internal governing processes and methods of policy determination; and, finally, to present the techniques customarily used by these two federations in carrying out their policies. No attempt has thus far been made to interpret the data presented, nor to develop a general theory pertaining to group functioning or the relation of such groups as the Chamber and the Federation to the state. In fact, there seems to be every reason for not attempting to arrive at general conclusions and theoretical interpretations on the basis of a study of only two organizations.

There may be some value, however, in setting forth certain observations concerning the social and political implications of the phenomena that have been described, even though they may be more in the nature of hypotheses than established verities. From one point of view, the statements which follow might better have been set forth at the beginning of this study and used as tenets to be proved; and yet, coming to the mind of the writer at the end rather than the beginning of his "adventure," they may not be amiss here. It must be borne in mind that these observations are based solely on a study of these two great economic federations; that in referring to "groups" the writer usually means the Federation and the Chamber; and that no one can be more aware than he of the danger involved in generalizations from such scanty data as that presented. It is hoped that further detailed studies of other group organizations—religious, racial, social, as well as economic—will relegate these observations to their proper place, whether that may be in the realm of mere speculation or that of accurate insight.

1. THE STATE AND THE UNOFFICIAL AGENCY—SOME COMPARISONS AND CONTRASTS

In many respects the special-interest groups that we have been studying display the characteristics of an official state. Structurally, the similarities are rather striking. In the case of both there is a hierarchy of officials, some elected and some appointed; representative bodies; a more or less permanent administrative staff; executive officials; quasi-judicial bodies; periodic elections; and techniques of policy formulation and policy execution.[1] Moreover, our study shows that the group agency participates in the performance of many functions which are frequently described as governmental. The state seeks to protect its citizens from external aggression; the Federation and the Chamber endeavor to protect their members from external legislative restrictions, to remove economic barriers, and to preserve, protect, and enhance the material acquisitions of their members. The state labors to promote the welfare of its constituency; the group agency establishes systems of strike benefits to take care of its unemployed,[2] it furthers group insurance and banking, it seeks to promote the health and comfort of its members, and it elaborates schemes of research and education in the cultural interests of its group membership.[3]

Furthermore, following the lead of the state, the group pursues the task of rule-making. It drafts bills to be enacted by official state agencies as well as legislation to control the activities of its own adherents. The Chamber encourages the adoption of principles of business conduct and the elimination of trade abuses by the procedure of trade practice submittals.[4] The Federation furthers the use of collective bargaining agreements, adjudicates differences arising between groups of industrial wage-workers, and sponsors the development of rules affecting technical processes of production and the relation of the worker thereto. The group agencies also assist in the administration of law, advising with official agencies respecting their application, informing such agencies of infractions, and at times assisting in enforcement.

Notwithstanding these similarities, there are essential differences between the state as such and these group institutions. Of considerable significance is the fact that the latter are voluntary associations, retaining their hold upon their members only so long as such members find it to their interest to remain affiliated with the organization. There exists no effective method for compelling members to support the group program, and this often hampers the carrying out of policies unrelated to the self-interest of the group constituency. The Chamber and the Federation have frequently been compelled to look to immediate results in order to maintain their hold over their members. Not only that, but they must do everything in their power to prevent factional disputes—a task which involves in many instances the sacrificing of principles and an undue emphasis upon compromises. Our previous study of methods of policy formulation has shown the emphasis which is laid upon bringing various interests within the group together primarily for the purpose of ironing out differences of opinion and reducing issues to a common denominator satisfactory to all.

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[1] It is hoped that the detailed descriptions contained in the preceding chapters will make unnecessary any repetition in order to establish these and subsequent observations.

[2] See G. W. Perkins and Matthew Woll, *Trade Union Benefits,* 1925.

[3] See William Green, *Modern Trade Unionism,* 1925.

[4] See E. B. Parker, *Trade Abuses,* 1927.

The voluntary character of the Chamber and the Federation has also led to an extraordinary emphasis upon recruiting members. A large proportion of the annual expenses of these organizations is devoted to this purpose, and membership campaigns play an important rôle in the group programs. The state, on the contrary, seldom finds it necessary to devote much attention to increasing the number of its citizens and retaining their allegiance; although there have been notable exceptions to this statement. As a consequence of the voluntary character of their organizations, the Chamber and the Federation have had to shun the application of the majority principle in formulating policies and launching forth upon new undertakings. To do otherwise would seriously impair the strength of the organization. To a certain extent the same is true of the state; but in the case of the latter there seems to be more of a tendency to pay homage to the conception of majority rule, perhaps for the reason that physical force, as well as persuasion, influences state determinations.

The voluntary character of the Chamber and the Federation also tends to give to these organizations a greater degree of instability than is characteristic of the state. Neither state nor group agency is perfectly stable, and some group organizations certainly evidence a greater permanence than some states.[5] But the economic groups which we have studied, dependent to a large extent upon means of control such as persuasion, economic pressure, publicity, legislative successes, and a program that is forever impelling, seem to find it difficult to maintain their governing power unimpaired over long periods of time. Physical force, general and comprehensive interests, as well as territorial jurisdiction may account for the greater stability of the state. Whatever the reasons for state stability, the incessant rise of new groups attracting the interest and not infrequently the allegiance of members, changing industrial conditions which weaken the dues-paying capacities of members, the passing of objectives that were once enticing, the disappearance of leaders and the inability to find new ones—all of these conditions serve to jeopardize the long-continued life of the group agency, and often prevent it from assuming important responsibilities and undertaking new projects with hope of success. This is not to imply that the state itself is a symbol of stability; but it requires as a rule some exceptional crisis, either internal or external, to endanger the existence of the state.

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[5] For example the Catholic Church, and some other church groups.

Another aspect of group existence as emphasized from the study of the Chamber and the Federation is the difficulty of defining the metes and bounds of a group's jurisdiction. Because of fluctuating memberships, now increasing and now decreasing, it is not easy to effect a group agency that will be inclusive of a defined occupational or interest-seeking jurisdiction. In a preceding chapter an attempt was made to show the geographical and occupational distribution of the membership of the Chamber and the Federation. To proceed further and attempt to show the representative character of the group agency, to attempt to demonstrate the scope of legitimate control, proved to be a difficult if not an impossible task. In view of this situation the possibility of the group agency's acting in an important governing capacity is visited with many complications and difficulties. Differences as to the exact constituency for which the group organization may properly act will always arise. If the group agency, be it Chamber or Federation, seeks to act for its potential as well as its actual constituency in any compelling and decisive manner, serious results are likely to follow. The political state, however, can usually speak with authority for a reasonably well-defined citizenship, and within its territorial limits can impose obligations and exact duties without fear of controversy on jurisdictional questions.

Another important difference between the group and the state is the fact that the policy-determining activities of the group look outward rather than inward. This generalization is subject to exceptions, and in some instances the position of the state and that of the group are reversed, but it seems to be of sufficient validity to justify a certain degree of emphasis. In spite of some "internal rule-making"—that is to say, the making of rules that aim to control conduct within the group—most of the policies of the Chamber and the Federation relate to conduct on the part of non-members, those outside the group rather than within it. Measures are formulated looking toward the control of state activity, the control of legislators and public administrators, as well as other groups and the public generally. Doubtless this characterization applies with greater force in the case of the federations themselves than in the case of their member organizations, but its significance may not advisedly be overlooked. Resolutions are adopted with considerable dispatch, insisting that governmental commissions make changes in their policies; Congress is encouraged to spend the public monies on projects of primary interest to the group; administrative departments are pressed into service for the group; and other groups are urged to co-operate in projects of mutual interest.

The application of rules restricting and defining conduct on the part of group members, however, encounters almost insuperable difficulties. State legislation, on the contrary, is directed without hesitation toward the citizen. To be sure it seeks to influence the course of international relations, to make treaties and enter into agreements with other nations. But the "missionary" spirit so characteristic of the Chamber and the Federation is far less pronounced. The state has found by years of experience that the welfare of all necessitates the imposition of restrictions and obligations on its citizens. Group organizations have a tendency to chafe under such responsibilities and to avoid them, but the state remains adamant. The group, finding its very existence endangered whenever it undertakes to impose limitations upon the few for the sake of the many, turns to the task of bringing pressure to bear upon non-members; molding others after its own design rather than attempting vigorously to create within itself new patterns of thinking or action. The Chamber and the Federation tend, therefore, to become conservative, and confine their activities to a large extent to crystallizing and rationalizing desires. There may, of course, be some fields of activity in which group self-government seems feasible and desirable, but as a rule it is just such fields of activity that the group does not care to legislate about. Hence the state will probably remain the only effective agency capable of harmonizing the rationalized ideals of such institutions as the Chamber and the Federation.

Carrying this last point a step farther, we may say that our study of group processes reveals an essential dependence of the group organizations examined upon the state for the carrying out of their aims. Regardless of how far the theoretical independence of states is breaking down under modern social and economic conditions, there is no evidence to show that the Chamber or the Federation can ever hope to approximate the independence of the state as it exists today. In a world of social and economic competition, harmonization of conflicting interests can never be satisfactorily brought about with the weapons of persuasion, economic and social pressure, upon which the groups now depend. To be sure, our study shows some examples of co-operation between the Chamber and the Federation in the carrying out of given projects, but the development of such machinery for co-operation tends to weave the organizations more closely into the fabric of the state rather than to tear them away. The use of force by the state may be outlawed as an instrument of national policy, but it will always remain in the background of policy formulations. The group, so long as it remains the group, can only turn to the state in the last analysis for the successful execution of its policies. When it no longer needs to do so, the group will have become the state, as in Russia and Italy today; it will have lost its voluntary character; its policy formulations will constitute state legislation; it will be the state, governing exactly as the state governs.

The group and the state are, therefore, two distinct concepts. Looking at their future from a dynamic point of view, one may visualize a time when groups may become so powerful as to supplant states, or rather to control them. But will this signify the demise of the state? Will it not signify rather the end of a particular group existence? But other special-interest groups will doubtless arise to take the place of the dominant one, and so the process of group development will go on. Hence the danger of trying to generalize from the history of just two economic groups. From one point of view the group agencies are living, dynamic institutions, capable of being grafted into the structure of the state, capable of molding the life of the state, and, in the end, of becoming the state itself. But at any given time, under conditions such as we have today, there is every reason to suppose that we shall witness the existence, side by side, of both state and group institutions, each group more or less removed from a position of dominance in the life of the state.

2. THE CHAMBER AND THE FEDERATION AS FACTORS IN THE LIFE OF THE STATE

Notwithstanding the significant characteristics which differentiate the Chamber and the Federation as group agencies from the state, limiting the scope of their influence as governing agencies and impeding the expansion of their sense of responsibility, the organizations have come to play an important part in the life of the state. In the first place, *they act as important media through which the citizen may establish and maintain contacts with his government.* The rapid growth of population in this country; the increase in the scope and variety of governmental functions; the rise of a complicated and highly integrated social and economic mechanism have all served to enhance the importance of the government in the daily life of the citizen, at the same time that government has become more inaccessible and difficult to control. Amid the confusion of conflicting desires, the voice of the "sovereign" voter is lost.

There may have been a time when the political party solved the problem of the voter, establishing the needed intermediary contact between the individual and his government.[6] But the inclusiveness and vagueness of party programs, the intermittent character of party responsibility, and the cumbersome, compromising methods of party procedure baffled the individual citizen, exasperated him, and finally led him to look elsewhere for protection and for information. One has only to study the beginnings of Chamber and Federation history to sense the inadequacy of the political party systems from the point of view of the workers and business men. Except as a member of some economic group which had behind it an effective pressure technique, the business man and the wage-earner felt themselves brushed aside by legislators too busy to listen to one-man pleas, however justified they might be; found themselves victims of administrative decrees molded out of such wisdom as executive officials were able to command during the short periods of their political apprenticeships; or found themselves buffeted from courtroom to courtroom, perplexed and dazed by the jargon of the bench and the shrewdness of the lawyers. Information concerning governmental action came too late for them to protect themselves. They looked in vain for up-to-the-minute reports of impending governmental policies. Writhing under broken party pledges and an inability to fix the responsibility for their miseries, they could only declaim about the unreasonableness of governmental actions. The individual citizen, in other words, found himself virtually under the rule of an absentee czar unless he was affiliated with some group agency which had as its peculiar task the solicitation of his interests.

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[6] Professor Merriam has called attention to several ways in which the political party endeavors to serve the citizen. But he goes on to state:

> "It must be observed again that the great mass of legislation and administration is occasioned—as the examination of the policies of cities, counties, states, and the United States will show—by non-party groups urging the passage of laws and pressing for various types of administration or of judicial determination. Parties and party managers often stand aside from the sweep of these laws or plans, allowing them to become effective without party action. Lawmakers, administrators, and judges must to a great extent shift for themselves in this field, except when the party takes a definite position upon some question affecting the organization or the party directly, or some interest closely allied with it."

C. E. Merriam, *The American Party System*, pp. 399-405.

The political party failed to supply the wants of the business man and wage-earner for a number of reasons. In the first place, it was primarily concerned with office-holding rather than with policies, except so far as policies affected its ability to secure offices. Its leaders had as their primary interest the winning of elections and, following public clamor, were unable to concentrate their attention steadily and continually upon a given set of problems. To meet such conditions as these, to satisfy a real economic and political purpose, the Chamber and the Federation emerged. They undertake to formulate policies, rationalize them, edit them, and then, with all the high-pressure technique at their command, bring these policies to the attention of the government, not only at election time, but whenever an occasion presents itself. Not only that; they also serve as media through which the government may keep the citizen within the group informed of contemplated actions, thereby forestalling criticisms and adjusting the process of rule-making to changing conditions.

At first glance, the interposition of such a medium as the Chamber or the Federation between the government and the citizen may seem to be an unmixed blessing. The services rendered to both the citizen and the government seem perhaps to be mutually indispensable. But there are points of danger. The efficient working of a group agency, the generation of a high degree of centralization of power within the group, may lessen the responsibility of the individual business man and voter to his state. If the individual places too great reliance upon his group agency, carrying that reliance to the point where he permits the staff of the organization to think for him as well as act for him, and trusts implicitly in the determinations of his Washington representatives, at the same time neglecting his definitely political duties, autocratic power may simply be transferred from the politicians to organization officials. Superficial observations of some group organizations suggest the reality of this danger, although in the case of the Chamber and the Federation this evil does not seem present to a marked degree. That there is some danger that business men and workers may come to place such implicit confidence in their group organizations that they will no longer feel it necessary to perform their duties as citizens is suggested by the following statement taken from the writings of a staff member of the Chamber. The writer says:

> Now on election day this St. Louis banker may go down the river for duck-shooting and fail to cast his sovereign ballot. At best his vote only counts for one and just the same weight as that of his chauffeur and his cook. Through affiliation with various associations, however, he multiplies his political effectiveness many times. In other words, instead of relying on his voting privileges as a means of exercising his influence in government, he has at his disposal many different channels through which he speaks. He may never vote and still be a leader in public affairs. Ward politicians may name the office-holders, but organized business men are molding the issues.[7]

In the second place, *the Chamber and the Federation exercise an important influence upon policies of the national government.* This influence takes various forms and affects not only the legislative branch of the government, but also the administrative and judicial branches, state as well as national. It concerns itself with domestic questions as well as foreign policies, and it knows no political boundaries or geographical sections. The statement of Professor Merriam that

> On the whole, more acts of government are the result of pressure from special groups or from public sentiment than from party platform or from party guidance[8]

is well illustrated by the activities of the Chamber and the Federation. We have already noted at some length the methods employed in making policies effective, and in particular the ways and means utilized for injecting group ideas into the mechanism of government. As was pointed out at the time, there seem to be no methods available for measuring this influence, much less for setting up criteria according to which the relative weights of group influence should be apportioned. It is clear, however, that group agencies exercise an important influence upon the distribution of emphasis which the state puts upon the various policies it has before it. This distribution of emphasis is perhaps as significant as the content of the policies themselves and should not be disregarded. The group in pressing certain policies to the attention of the state may well be sidetracking other issues of primary and general importance. The fact that other groups may be sponsoring such sidetracked issues will bring about a balanced emphasis only in case the effectiveness of group pressures has a direct relation to the value of objectives sought.

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[7] Fred DeW. Shelton, *The Business Man in Politics,* p. 6.

[8] *The American Party System,* p. 304. See also P. H. Odegard, *Pressure Politics, The Story of the Anti-Saloon League,* Columbia University Press, 1928.

Just what are some of the significant rôles played by the Chamber and the Federation in governmental policy making? In the first place, many bills owe their origin to the activities of the group. It is impossible to state just how many bills have been introduced into Congress under the direction of the Chamber and the Federation, but the number is probably large. As centers of initiative, constantly active, closely following the interests of their constituencies, these groups are fertile sources of legislative ideas. Furthermore, they follow those bills in which they are interested through Congress, bringing influence to bear all the way along the line. They awaken the interest of citizens "back home" in particular bills, urge them to bring pressure to bear upon their representatives, hold conferences, interview Congressmen, attend hearings, give publicity to particular problems, and in general supply governmental information of interest to their memberships. Even after bills are passed, interest does not lag. A watchful eye is kept on the methods of public administration.

It seems unnecessary to review in detail the types of contacts that the Chamber and the Federation have with the policy-formulating arms of the government. These have already been described at some length. What do they signify? In the first place, these contacts seem to arise out of the exigencies and necessities of present-day economic-political conditions. Congressmen, in the face of the growing complexities of economic life, find it difficult to devote much of the time at their disposal, even if they cared to, to studying the many technical and varied economic problems that come to their legislative attention. In some fields the various administrative departments furnish suggestions, based on continuous studies in their respective fields; but these affect a limited number of the legislative problems of Congressional sessions. Special commissions may be appointed to investigate particular questions, but the use of such commissions entails difficulties of its own. And so the

Congressman finds it advantageous—even necessary—to supplement his meager information on many points by consulting the special-interest groups. Many factors determine his selection of the group upon which to rely for advice. First of all he takes into consideration the political strength of the organization and its power and willingness to assist him in case of need. Then of course the reliability of the information, its character and quality, are of some moment in the case of conscientious public servants.

But the Chamber and the Federation go farther in their services to the state than merely representing interests. They serve as a sort of clearing house for group members and public officials as well, weeding out the unimportant from the important policies which are of interest to the group. Both organizations realize the value of selecting a few measures of primary importance and concentrating energy upon them each year. As a rule they are in a position to test pretty thoroughly the relative worth of various problems from the point of view of their own memberships. As time goes on and more and more interests are organized into effective special-interest groups, there should be a progressive diminution in the number of bills presented in Congress. Within the several groups matters of minor interest will be sifted out, some will be tied in with more general policies, and the attention of Congress will be concentrated only on those matters of major interest to the groups concerned. This will prove advantageous to both group members and legislators.

The Chamber and the Federation, therefore, play an important rôle in the policy-determining activities of the state. They are at the same time reservoirs of ideas, mirrors of desires, sifters of major from minor policies, agencies for leading and directing the legislative activities of the government. At the same time that they narrow and make more specific the remedies for particular situations, they crystallize opinion, and tend to concentrate governmental attention upon a comparatively small number of important issues.

In the third place, *the Chamber and the Federation are important agencies for insuring continuous responsibility on the part of the government.* In introducing this study, attention was called to some phases of the American constitutional system which make for governmental rigidity and inflexibility. There is possibly no other group function so significant as the service rendered in modifying some of the unfortunate consequences that would accompany an unbending application of many of our constitutional maxims. The task of special-interest groups such as those we have studied differs from that of the political party essentially in this, that whereas the latter seems satisfied when it has drawn up a more or less meaningless platform and has secured the election of its nominees, the former is never content until its policies have been actually enacted into law, and, more than that, have been actually enforced according to the desires of the group. In this manner the Chamber and the Federation serve the government and their own constituencies. They tend to bridge the gap between business man or worker and the government by making the law serve the interests of tangible groups and by reducing the possibility of friction between the mass of individuals they represent and the government. The group agency is constantly on the watch, following public acts with all the care that money and staff can effect. It advises, exhorts, and threatens. When it comes to the application of laws, the group interposes its own desires at every point possible, sometimes setting up advisory bodies, sometimes calling conferences, interviewing, advertising, doing whatever seems necessary. In fact, it is the group agency which is making democracy work; for without it the cumbersome processes of democratic procedure would break down under the stress of rapidly changing problems, and the insistence of numberless individual interests. The central government would lose touch with the people, and, amid misunderstandings and turmoil, futile attempts would be made to reconcile governmental regulation with individual initiative.

In the fourth place, *the activities of group agencies serve to break down a great many constitutional barriers to the facile working of formal government in modern times.* These agencies are instruments for linking together the several interests, official as well as unofficial, concerned with a given problem. To that extent they break down the barriers separating the three major departments of government and effect a modification of the constitutional relationship of state to Federal Government. By tracing the thread of a given interest through its contacts with different governmental agencies, these special-interest agencies serve to bring about a pooling of expert intelligence on a given issue, irrespective of the formal bonds of constitutional procedure that might well prevent such pooling. They assist in bringing various administrative departments and officials together on problems as they arise. They bring the legislative branch into more intimate relations with the executive. And, in so far as they launch forth on programs of adjudication and rule-making, they relieve the courts of burdensome duties which might otherwise necessitate fundamental changes in formal judicial procedure.

Under our constitutional system experience has demonstrated the difficulty of enlisting large bodies of well-informed individuals in the work of government. The difficulty of getting able men to serve as legislators, the dependence of the people upon professional politicians, have been but a few of the uncurbed criticisms directed toward the workings of modern democracy. Many business and professional men show a decided unwillingness to participate in the hectic political activities of the professional politicians, and decline to run the uncertain gauntlets of political campaigns with their unusual and possibly artificial demands. But to the group agency, the business man and the worker display a greater willingness to serve. Indirectly, therefore, they supply the government, through the group, with funds of information gleaned from their own individual experiences. This is not to imply that such service is based on altruism entirely. In a sense this service through the group agency is not exactly the same as service for the state directly. In rendering their services to the group agency, these unofficial servants of the state as a rule think of their own interests before they consider those of the state as a whole, rationalizing their actions perhaps by the statement that what is good for the group is good for the state. Granting, however, that the group proceeds on a purely selfish basis, that each individual acts on the assumption that he is going to get something for himself out of the service which he renders to the group, the fact remains that the group by reason of its national character tends to raise the plane of self-interest from a purely local interest in some cases to a national self-interest. Here, indeed, is something of a gain. The worker advising with and acting for the Federation, the business man serving on an advisory committee of the Chamber soon find that their own private interests must be modified somewhat. They discover that others with aims similar to their own have conceived such self-interest in higher and broader terms. Problems are revealed in new aspects. In short, service on group agencies such as the Chamber and the Federation tends to broaden the scope of self-interest.

It follows from what has been said that the Chamber and the Federation have been factors serving to break down sectionalism, not by linking together groups from different sections for the purpose of capturing the control of government, but by bringing together interests from different sections that are thinking alike, have common problems, and see the advantages of co-operation. It would be difficult to estimate the extent of the broadening effect of these agencies. The circularization of the entire country with literature and speakers, the calling together of national conferences and conventions, the focusing of attention upon major problems of national concern serve to bring together the various sections of the country in a manner beneficial not only to the groups but also to the country at large.

Much has been said about the rise of blocs, and the danger of bloc government in the United States. In considering this question it is necessary to distinguish blocs organized on a geographical basis and those grouped around occupational interests. Blocs centering around geographical areas have always been a familiar feature of American political life and play their part even today in the political life of the nation. Blocs organized around economic interests are by no means new in this country, although they appear to be taking on a new importance because of the rise of national organizations to represent these interests. What is the effect of this development upon the character of our representative system? Is it tending to narrow the viewpoints of our legislators, or to broaden them? The modern legislator, instead of finding himself the representative of merely a single geographical area, finds that in order to accomplish his purposes he must take into consideration these occupational groupings. Mr. A, Congressman from the first district in Pennsylvania or Illinois, soon finds it advisable to ally himself with the Federation or the Chamber, or some other social or economic group. There is scarcely an interest of the section of the country from which he comes that can today be satisfied without the help and support of a group organized on a national scale. Instead of being the representative of his district solely, he becomes of necessity the representative of particular economic and social groups. This is not merely the recognition of the economic basis of politics which has played such an important part in the political history of the world. It is the recognition of the attainment of dual representation, a combination of geographical and occupational representation of a type that was not possible before the rise of nation-wide social and economic federations.

To those who lament the constitutional emphasis upon the territorial basis of representation and feel that it should be supplemented at least by a form of occupational group representation, attention should be called to the fact that occupational representation has already been grafted upon territorial representation in this country today. The seventeen members of the Federation, and the seventeen National Councillors of the Chamber who are members of Congress function in this dual representative capacity as definitely as though the principle were embedded in the Constitution of the United States. Without effecting constitutional changes, without introducing economic councils or formal advisory bodies to supplement our legislative system, our representative system has changed from a mono-geographical to a dual system, wherein the legislator is elected by territorial districts but really legislates on the basis of occupational, social, racial, or religious interests. The general outlines of this arrangement are by no means new, but the rise of inclusive national organizations such as the Federation and the Chamber has certainly accentuated the development and tended to perfect the existing relationships.[9]

These, then, constitute some of the major impacts of the Chamber and Federation activities upon state life today. They act as media through which citizen and government establish and maintain contacts. They exercise an important influence upon state policies, by acting as centers of statutory initiation, as advisers with Congress, and guardians of the interests of their memberships in the carrying out of law administration. They also serve as important agencies for insuring the continuous responsibility of government. They serve to modify an otherwise cumbersome and rigid constitutional structure and prevent it from destroying itself by reason of its own rigidity. They enlist the co-operation of informed opinion of the nation, supplementing the work of the official policy-formulating machinery. They overcome some of the unfortunate consequences arising out of a rigid separation and distribution of governmental powers. They tend to broaden the self-interest of their members, and in the end tend to bring about a more perfect synthesis of occupational and territorial representation without changing the formal structure of the governing mechanism. But these developments, salutary as they have been, have given rise to problems, the solution of which may determine the fruitfulness of the changes.

3. Some Problems Arising Out of the Political Relationships of State and Group

One of the first questions that arises in examining the political contacts of the Chamber and the Federation with the state is whether the position of the group in the state should be institutionalized. Undoubtedly as the importance of group mechanisms is more widely understood and appreciated, efforts will be made to regulate them. The gradual incorporation of the political party into the legal life of the state was accompanied by a development of this kind, and it is likely that government regulation will accompany the extension of group activities. Thus far the state has attempted to do but little in the way of formal control, however, although some antilobbying laws have been passed in different states, and, during the War particularly, official recognition was accorded several group agencies, including the Chamber and the Federation, in the selection of representatives on various governmental committees and commissions.

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[9] Compare A. N. Holcombe, *Political Parties of Today.*

Although at first favoring Federal incorporation, the Chamber now seems resigned to the point of view held by the Federation, preferring to remain outside the immediate jurisdiction of the state. Both organizations now lay stress upon the advantages of their remaining voluntary and unofficial group organizations. On the continent of Europe, similar organizations have assumed in many countries an official or semiofficial status. To the European mind the experimental, unofficial way in which the state allows these organizations to develop in this country undoubtedly seems illogical and perhaps unnecessarily dangerous. It might be assumed that the Chamber and the Federation should be given a definite official status and their contacts with the government should be regulated by law in great detail. There are, however, serious difficulties in the way of this procedure. These group agencies, as we have seen, are unstable, fluctuating groups, functioning in an environment of dynamic change. Moreover, it is especially difficult to define their jurisdictions and set up standards for determining what their relative influences should be. In fact, there may be a distinct advantage in allowing these groups on their own initiative to experiment and endeavor to find the ways and means whereby they can best serve their constituents without affecting adversely other groups and interests. After all, public officials will have to be relied upon in the last analysis for a proper balancing of group desires; and, so long as the Chamber and the Federation act in the open and proceed to establish their governmental contacts under the light of fullest publicity, there seems to be no reason for supposing that their interests or those of the state will be jeopardized. On the other hand, the attempt to formalize and institutionalize the position of the Chamber and the Federation would undoubtedly stunt their growth and adaptability. It would detract from their real self-interest character and possibly cause the withdrawal from their memberships of those most needed within them.

The attempt to crystallize procedure and to make it conform to certain preconceived theories would either bring about the demise of the group agencies or result in the development of other types. Modern dynamic society seems to require the existence of such organizations as the Chamber and the Federation, acting as buffers to the jolts of a rigid governmental procedure. If these buffers are attached too firmly to the state machinery, they may lose their value as buffers. On the other hand, if they divorce their activities too noticeably from the affairs of the state, they dissipate their value to the citizen. In the last analysis their usefulness will depend upon their own vision of what their task must be under a given set of conditions. As the experimental period nears its end, the recognition of the value of certain contacts with the government may become so general that these relationships will be formalized and legalized. A definite recognition of group agencies on governmental boards and commissions, a standardized procedure for presenting group policies to the legislature may, for example, result. We do not seem yet to have reached such a stage in the evolution of group agencies.

Another problem which has accompanied the development of the group organizations studied relates to the influence exerted by the group, involving the determination of standards according to which a proper balance may be preserved among groups in their pressure competition. As we have already observed, there are numerous factors which affect and determine the ultimate influence of a group organization. The group itself, in deciding what influence it should have in the political deliberations of the community or state, seldom fixes any limits. Any method not illegal that can be used by the Federation or Chamber for enhancing their influence is requisitioned. High pressure publicity, high finance, economic pressure, and various other techniques are employed. No inter-group laws regulate this competition for power.

In the formal organization of the state the tendency has been more and more toward an emphasis upon numbers as the criterion for apportioning influence. This is seen in the composition of Congress and the state legislatures, in the election of the President and various officers, and to some extent in the selection of other officials. This has not always been the case, however; for in former times, religious affiliations and property played a part. And in the case of many post-war legislative assemblies, an attempt has often been made to give due weight to the influence of education and professional standing. What is a proper basis for determining what influence a group should exert in the councils of the nation? Shall the number of members in a group agency be taken as the criterion? If this is done many difficulties arise. Shall the weight be apportioned according to the actual or the potential membership? What shall be the qualifications for membership in the group agency? Shall a different basis be employed when different problems are under consideration? To what extent shall the degree of unanimity of opinion within the group be taken into account? All of these questions are easier to ask than to answer satisfactorily. The group, as we have seen, is a highly flexible entity, hard to define and hard to control.

But if it is difficult to apportion group influence on this basis, it is even more difficult to apportion its influence on any other basis. Wealth is hardly a satisfactory basis, although it is a factor materially related to the influence of the group. It is the same with the factors intelligence and wisdom. The arena within which the Federation and the Chamber operate, therefore, presents a picture of group struggles for domination, the success of which falls to the group best able to control and wield these several factors. Sometimes it may be wealth, sometimes it is numbers, and now and then it is intelligence which proves to be the deciding factor. The difficulties of the situation are mollified somewhat perhaps by the fact that an individual may be a member of several groups at the same time; and whereas his influence in connection with a given problem may not be what it ought to be, such a loss may be offset by the influence which he may be able to exert through the medium of other groups. The interplay of group forces under competitive conditions that do not seriously dwarf the capacities of some groups may be sufficient to prevent the assumption of too great influence by any one group or set of groups. Under such conditions the primary function of the state would seem to be the maintenance of as fair a level of competition as possible. In so far as groups come to control exclusively certain instruments of influence, it may become necessary for the state to interpose its regulatory agencies. In any case, the determination of what influence a group ought to have will always be a difficult problem. For this reason if for no other, the state, as a synthesis of occupational and territorial interests, seems to be in a fortunate functional position. The assurance that the final determinations of the state coincide with the desires of the effective force within the community may not always contribute to the maximum amount of wisdom, but it does tend toward greater economic, social, and political stability.

Closely connected with this problem of group influence is the problem of finance. The cost of maintaining the Chamber and the Federation runs into the millions. To what extent are the expenditures of interest solely to the groups involved? In this connection there exists much the same kind of problem contingent upon the activities of political parties; the problem of evaluating the sources, amount, and expenditure of group funds. Inasmuch as a large proportion of the money spent by the Chamber and the Federation affects their influence, the national government, it would seem, should have an interest in the character of group financing. At the present time both the Chamber and the Federation make public their expenditures, and there is no reason for supposing that the funds are used for any other than legitimate purposes. But even so-called legitimate expenses, if on a large scale, assume a different aspect from that which they bear when on a small scale. Lavish expenditures for publicity purposes, for making propaganda investigations, for employing staff officials, for entertaining —all serve to enhance the influence of a group, giving rise to the social question whether such expenditures are in the public interest. It may be desirable in the future to place some limit upon the amounts that such groups as the Chamber and the Federation may spend, to control the sources of revenue, and regularize expenditures. At least the state should insist on the fullest publicity possible to this data.

A financial problem of quite a different sort also arises. This relates to the extent to which the expenses of group undertakings should, if at all, be borne by the state. There is clearly a tendency on the part of the state to co-operate with the Chamber and the Federation in carrying out certain projects. Even assuming that the group is willing to bear the expense itself, should the state allow it to do so? Such a problem is not of pressing interest at the present time, but there are some indications that it may become a vital one in the near future.

We have already referred to the question of group responsibility, and the difficulties in the way of insuring adequate responsibility due to the flexible character of the Chamber and Federation development. This is one problem of which the Chamber, in particular, seems to be aware. In fact, both organizations are cognizant of the necessity for insuring group responsibility if they expect to extend the scope of their internal rule-making, and remove what they choose to regard as meddlesome interference by the state in matters which seem to concern themselves primarily. This is a difficult problem to solve. The voluntary, unstable character of the Chamber and the Federation makes it extremely difficult to enforce restrictions upon a recalcitrant minority within the organization. In the absence of governmental sanction, education and persuasion seem to be the only means of control.

Of an essentially different character is the problem of maintaining within the agency a democratic control over the leaders and the official staff. Attention has been called by some writers to the inevitable tendency for party control to gravitate into the hands of the few.[10] Even in the parties sponsoring the most democratic policies, there seems to be in operation a law of progressive aristocracy. In the case of the Chamber and the Federation this tendency is also apparent, but will probably never be carried to the point to which it has been carried in the case of political parties. The affiliated organizations of both the Federation and the Chamber are very jealous of matters that affect them directly. Consequently the central organs are limited in the degree to which they can extend their influence over the community. But as time goes on and leaders constantly change, the permanent official staff—the group secretariat—comes to exercise great influence. The frequent changes in personnel that take place in the Chamber staff, for example, tend to give the more or less permanently employed officials a sense of vested control over policies. Leaders frequently come to them for advice, and gradually they assume a more or less predominating influence over the affairs of the organization.[11] They become sources of policy initiation; they influence policy formulation; and the rank and file of members become merely ratifiers. Of course, the individual member always has an opportunity to rely upon his right to withdraw from the group in case of dissatisfaction. But, unless he cares to go to this extreme, it may be difficult for him to make his opinions felt. So long as the Chamber and the Federation remain what they are at present, opinion crystallization agencies, the consequences of staff leadership of this character will not be particularly serious. In proportion, however, as the sphere of group rule-making is extended and is applied within the group in a responsible manner, the necessity for greater attention to this problem will be felt.

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[10] Robert Michels, *Political Parties*.

[11] Several officials in the Federation emphasized this tendency within that organization.

There are still other problems of more or less importance connected with the performance of unofficial governmental activities by the group. Much of the so-called "educational" work of the Chamber and the Federation is nothing but propaganda. The progressive inoculation of the groups with the idea that their usefulness to society depends more on the amount of intelligence they are able to inject into their policies than on the amount of influence they exert will do much to remedy this evil. It is unfortunately true, however, that the public state of mind being what it is, dissemination of naked facts will not "free" the group. Indeed, it is not an easy thing to distinguish truth from falsehood, and it is not surprising that group agencies do not "go the limit" in making their publicity organs pure fact dispensers. In proportion as such agencies assume a quasi-governmental character, the necessity for state regulation of publicity by the group may become expedient. Such state censorship is to be deplored, however, and it is to be hoped that the groups themselves will be able to co-operate more effectively than they have in the past in keeping mere inflammatory material off the press.

And then, finally, there is the problem of turning the legislative activities of the group into the channels most useful to society. We have observed the prevalent tendency on the part of the Chamber and the Federation to turn their legislative techniques into instruments for harmonizing and rationalizing desires, rather than attempting in all cases to ferret out all the pertinent facts and reach conclusions that mean something. The fact that solutions to problems of an intricate social and economic character are often reached with great dispatch and unanimity seems to indicate that all sides of questions are not really considered. This is perhaps a major problem of state and group relationships. The group agency must discover what its real function is and then seek to perform it. Effort and money could be spent more profitably on research and investigation than on publicity. Time could be spent more profitably on extensive studies of social and economic questions than on expensive referenda for the purpose of gaining legislative support for rationalized desires. Instead of seeking to adapt their own functioning to the real needs of the state, the Chamber and the Federation often seem bent on accomplishing their aims either by subordinating the state or making it a servant to their wishes. There seems to be real need for a carefully outlined division of labor as between group and state. Perhaps the future will witness a continuous improvement in the facilities supplied by such agencies as the Chamber and the Federation for studying economic questions and supplying state agencies with information otherwise inaccessible. In this manner, rather than by unduly stressing the instrumentalities of group pressure, they may contribute much to the stable functioning of government.

4. FUTURE TENDENCIES

In the presentation of some of the implications reasonably deducible from a study of the procedural techniques of the Chamber and the Federation, no suggestion is made that these conclusions are scientific verities. They will doubtless have to be modified as further studies of group processes are made. Likewise, any attempt to forecast future tendencies must be accompanied by reservations. However, it may be worth while to anticipate some possible developments.

It is quite likely that the legislative successes of the Chamber and the Federation will give a stimulus to the organization of other groups and an adoption of the familiar methods which these two organizations now employ. It may be that the economic and social "blocs," to which attention is frequently called, will discover from the experiences of these two federations a key to the attainment of their own aims. Along with such a development further improvements in "lobbying" will doubtless occur. Intimidation, bribery—such methods are no longer the vogue among larger and more modern special-interest groups. Instead, the great national organizations employ the more refined but none the less effective methods of publicity, "education," "research," conferences, and referenda. Undoubtedly still further refinements will be perfected and generalized, and the pressure of special-interest groups will be felt in a more subtle, and perhaps for that reason a much more telling manner. There are indications that the Chamber and the Federation will make much more effective uses of research, possibly extending and improving the facilities for co-operative research with other agencies, public as well as private. These institutions have long since felt the need for a better-informed group viewpoint and to that end are spending an increasing sum upon investigations. Due to pressure from without as well as from within, the Chamber, the Federation, and other group agencies will continue to improve their systems of policy determination. The realization by the public at large, as well as by the members of these organizations, of their importance in the political life of the state will encourage insistence upon more efficient and more democratic methods of reaching decisions.

It may happen that the systems of co-operation with other group agencies will be improved. There is a real need for this, and group officials seem aware of it. *Ad hoc* arrangements are clearly unsatisfactory and are likely to become more so as time goes on. So far as co-operation with the government is concerned, the Chamber and the Federation have made some progress in improving the avenues of approach. The present methods of bringing pressure to bear upon governmental officials have been described in some detail. They indicate that, although there is a tendency away from the cruder procedures of former days, there is still room for improvement. Perhaps the methods of approach to governmental agencies will be more generally standardized and formalized than at present. Much of the intercourse between public officials and group representatives is still shadowed in secrecy, and often the public official himself is at a loss to know for whom and by what authority particular legislative agents speak. It is, of course, difficult to forecast just the direction such formalization will take. It may involve substantial changes in the character of committee hearings, in so far as the presentation of facts by groups is concerned. It may result in the setting up of advisory committees to committees of the legislature as well as to different divisions of administrative departments. In any case there is ample room for improvement in the "contact" procedure of the Federation and the Chamber. Contacts are now established too spasmodically for the satisfactory working out of policies. Legislative agents waste a large amount of time in futile searches after public officials; and public officials are too often pestered by inopportune appearances of group representatives. Regularized contacts would facilitate the interests of both government and group.

The need for a clearer definition of the respective functions of group and state has already been emphasized. The future will probably witness a progressive delimitation of the field in which the functioning of the group can serve its own interests best by facilitating governmental processes. Nothing of value is to be gained, however, by group agencies attempting to supplant the legislative activities of the state. Increasing emphasis upon the collection of pertinent facts and the presentation of these to public officials will probably receive increasing attention, and the disproportionate emphasis upon mere domination will receive less. To a limited extent the groups may take over legislative and administrative duties, as it appears that they are equipped to assume these responsibilities. It seems to be desirable, however, that the state should not forego all supervision over the exercise of these functions by the group. The Chamber and the Federation have already come to appreciate the value of the services they may render by supplementing the rule-making and administrative activities of the government. Willingness to accept some legal responsibility also will lead to their assuming more and more the character of governmental agencies.

Finally, what of the relation of such agencies as the Chamber and the Federation to the future development of political parties in this country? To some, the presence of organized group agencies suggests the decline of the two-party system and the rise of a European "bloc" system. Undoubtedly the continuous perfection of an increasing number of special-interest organizations will bring into prominence as never before certain economic groups that have always played an important part in the formulation of state policies. It may result in a more obvious and possibly a closer alliance between individual legislators and particular social and economic groups, thereby affecting the character of our legislative processes. But there is little in the history or experience of the Federation and the Chamber suggesting that these groups are likely to assume in the near future the nominating functions of the political parties. In fact, they prefer to work through existing parties rather than without them. And, so far as the formulation of policies is concerned, this has never been one of the outstanding contributions of political parties as such in this country. Economic and social interests have always played an important part in the legislative annals of the state. The rise of inclusive national federations like the Chamber and the Federation merely places their activities in a clearer light. Realignments of economic interests within a given political party may continue, and the significance of political parties as formulators of policies decline. But is this not another way of saying that in a country of widely diversified interests, rapidly changing industrial conditions, and a more or less rigid constitutional system, a division of labor as between parties and economic groups is becoming indispensable? The party is assuming the responsibility for nominating candidates for public office. The group is becoming the agent of the citizen in securing the passage of laws and directing their administration. Periodic elections are turning into periodic competitions between personalities, while the day-to-day process of governing a great nation turns into a continuous balancing of the pressing interests of more and more highly perfected organized group interests.

APPENDIX

APPENDIX A

A voluntary organizer is usually a worker whose general interest in the trade-union movement has led him or her to undertake to form locals in the trade in which he or she works. Many national and international unions provide for an allowance to persons organizing locals for them; the amount paid usually running from three to ten dollars. The International Brotherhood of Boiler Makers pays $10.00 to any organizer of the American Federation of Labor for the formation of a new local or the reorganization of a lapsed or suspended one. See *Instructions to Organizers* published by the American Federation of Labor, p. 14. The Coopers' International Union allows $5.00, or whatever amount is "justified." The International Union of

Name of Organizer	States Where Work Was Done	Amt. Received
1. Hugh Frayne	N. Y., Pa.	$ 11,897.92
2. E. F. McGrady	N. Y., Wash., N. J., Pa., Mass., Conn., Vt.	7,228.22
3. Wm. Collins	Mich., N. Y., Conn., Vt.	6,878.50
4. C. N. Idar	Tex., Calif., Washington, D. C.	6,634.44
5. C. O. Young	Wash., Ore.	6,599.50
6. P. J. Smith	Iowa, Ill., Minn., Mont., Mich., Colo., Fla., Washington, D. C.,	6,567.55
7. J. B. Dale	Calif.	6,559.62
8. P. F. Duffy	Pa., Ohio, N. Y.	6,357.95
9. T. J. Conboy	Mo., Ind., Ill.	6,248.52
10. O. E. Woodbury	Pa., Ky., Ind., Ill.	6,165.55
11. Edgar Wallace	Washington, D. C., Conn., N. Y., Mich., Md., Pa., N. H., R. I. Ill., Wis., Mass.	5,860.74
12. A. Neary	Md., N. J., Ohio, N. Y., Washington, D. C.	5,189.80
13. H. F. Hilfers	N. J., N. Y., Pa.	5,062.32
14. A. Bastien	Canada	4,815.05
15. C. J. Jennings	N. J., N. Y., Washington, D. C.	4,337.31
16. J. M. Richie	Pa., N. J.	4,282.29
17. A. Marks	N. Y., N. J., Md., Washington, D. C.	4,157.85
18. F. H. McCarthy	Mass.	3,257.28
19. J. E. Roach	Vt., N. Y.	3,245.89
20. W. E. Bryan	Pa.	2,073.61
21. D. Silverman	N. Y.	747.50
22. John Fitzpatrick	Ill.	119.00
Paid to organizers in amounts less than $100.00		492.35
	Total	$114,778.76

See *Proceedings* forty-seventh annual convention, 1927, p. 30.

Elevator Constructors allows reasonable expenses and fees. The International Association of Fire Fighters allows $10.00 for a local union of seven to twenty members, and $20.00 for a local union of twenty members or more.

Paid organizers do not, as a rule, devote their whole time to the work of organizing. In many cases they are officers in some affiliated union or officers in the Federation itself. Two of the members of the legislative committee, for example, devote a large amount of time while Congress is not in session to work of this kind. During the twelve months ending August 31, 1927, the Federation spent $114,778.76 for organizers expenses as shown in the table above.

APPENDIX B

OPERATING EXPENSES OF THE CHAMBER FOR FISCAL YEAR ENDING JUNE 30, 1928.*

Administration:	
Staff Salaries—Office of President and Chairman of Board	$ 17,450.00
Staff Salaries—General Offices	111,496.41
Care and Operation of Building	93,165.33
Depreciation on Equipment—all Offices	13,460.99
Auditing, Printing, Postage, Telephone, Telegraph, Office Expenses, Temporary and Overtime Service	32,832.69
Stationery and Supplies	21,083.16
Group Insurance	3,439.03
Staff Medical Examinations	713.00
Contingent Expenses	16,479.48
Travel Expenses—Directors	8,070.24
Travel Expenses—Executive Staff and President	8,099.25
Annual Meeting	30,253.14
Meeting of National Councillors and Board	4,311.98
National School for Secretaries	1,843.24
Western School for Secretaries	597.29
Salaries and Expenses of Service Departments:	
Agricultural Service	26,603.51
Civic Development	32,292.29
Domestic Distribution	55,035.30
Finance	33,278.47
Foreign Commerce	29,157.83
Insurance	29,859.34
Manufacture	40,496.07
Natural Resources Production	31,376.40
Transportation and Communication	55,371.52
Expert Investigations and Committee Expenses	12,584.45
Federal Reserve Conference	6,913.12
Forestry Conference	4,839.12
Mississippi Flood Control Committee [Trip to flooded area]	4,059.52

Research Department:	
Salaries and Expenses	144,357.30
Special Fund for Miscellaneous Research	6,947.50
Promotion:	
Nation's Business	1,707,007.71
Resolutions and References, *Week's Work*, Speakers' Bureau	74,263.74
Press Service	35,043.02
Organization Service	26,524.26
Trade Association Service	10,241.86
Decentralization—Salaries and Expenses	72,629.72
Field Department	265,115.57
Rent—District Offices	11,920.00
Office Expenses—District Offices	5,708.04
Total Operating Expenses	$3,084,920.62

* *Annual Report, Board of Directors,* 1929, p. 47.

APPENDIX C

Miami, Fla., Jan. 24.—"Labor expects to exercise just as great, if not a greater, influence in the 1928 national political campaign as in any previous campaign, not excepting 1916," William Green, president of the American Federation of Labor, announced tonight, after announcing the organization's political plans.

The Federation's Executive Council decided to hold another meeting in Washington on April 24 at which the final draft of labor's demands on the national conventions of the two major parties will be made. This session will also review the results of its legislative program, now before Congress, relating to labor's new platform.

A non-partisan committee, composed of President Green, Secretary Morrison, Vice Presidents Martin F. Ryan of Kansas City and Matthew Woll of Chicago and James E. O'Connell of Washington, head of the metal trades department, will direct the political campaign.

WILL SEEK FRIENDLY DELEGATES

Beginning in the primaries with an effort to elect friendly delegates to the National Conventions, this committee will continue its work in a campaign to get out friendly votes at the election. Mr. O'Connell will have actual charge of the field work, under direction of Messrs. Green and Morrison.

With this general leadership it is proposed to tie up the federation's 106 national and international unions and their approximately 3,500,000 members, through 48 State federations, 4 departments, and 749 central bodies.

Profiting by the lesson of 1924, the General Committee will confine its attention to candidates of the major parties. The committee will report to the Executive Council on the national tickets at the April meeting when the council will agree on the planks it will present to each party.

After the conventions the committee will meet to review their actions and to make such recommendations as it may deem proper on national platforms and candidates. Action in States, counties, and cities will be left to State and city organizations, working under the general direction of Messrs. Green, Morrison, and O'Connell. Candidates for all offices, national, State, and local, will be judged on their records as friendly or unfriendly to labor and the pledges they make on labor legislation.—New York *Times*, Jan. 25, 1928.

APPENDIX D

PARTIAL LIST OF SUBJECTS INCLUDED WITHIN THE RESOLUTIONS ACTED UPON BY THE FORTY-SIXTH ANNUAL CONVENTION OF THE AMERICAN FEDERATION OF LABOR, 1926

1. Revocation of local charters
2. Assistance to strikers
3. Establishment of Labor Chautauqua
4. Company Unions
5. Federal Law Excluding Aliens
6. Mexican Immigration Commission
7. Relief Work of Organized Labor
8. Federal Administration of Porto Rico
9. Representation in Central Bodies
10. Employment of Enlisted Men
11. Navy Yard Employees
12. Federal Contract Work
13. Candidacy of Governor Smith
14. Postage Rates
15. Compensation Legislation
16. Inheritance Taxation
17. Finger-printing of Aliens
18. Pay of Post-Office Employees
19. Convict Labor
20. League of Nations and World Court
21. Seaman's Act
22. Deportation of Aliens
23. Use of the Pneumatic Hammer in the Cutting of Stone
24. Organizing the Automobile Industry
25. Pensions of Widows of Civil War Veterans
26. Forty-four-hour week in the War and Navy Departments
27. Citizenship of Hindus
28. Citizen's Military Training Camps
29. Political Prisoners throughout the World
30. Eugene V. Debs
31. Recognition of Soviet Russia
32. Muscle Shoals Nitrate Plants
33. Fascist Principle of Government
34. Speeding up Practices of Federal Government Employment

35. Civil Service Court of Appeals
36. Race Discrimination
37. Amendments to Constitution
38. Sacco-Vanzetti Case
39. Efficiency in the Medical Profession
40. Near East Relief
41. Direct Primary

APPENDIX E

FIFTEENTH ANNUAL MEETING
CHAMBER OF COMMERCE OF THE UNITED STATES

Tuesday, May 3

10:00 A. M.—Opening General Session

1:00 P. M.—Special Luncheon Meetings:
1. Agriculture
2. Civic Development
3. Finance
4. Insurance
5. Manufacture

6:00 P. M.—Dinner Meetings:
1. National Association of Commercial Organization Secretaries
2. American Trade Association Executives

8:20 P. M.—Joint General Session with the Third Pan-American Commercial Conference, at the Washington Auditorium

10:00 P. M.—Reception and Dance, at Chamber headquarters

Wednesday, May 4

8:00 A. M.—Presidents and Secretaries' Breakfast as Guests of President O'Leary

9:40 A. M.—General Session

1:00 P. M.—Special Luncheon Meetings:
1. Domestic Distribution
2. Foreign Commerce (Joint meeting with Third Pan-American Conference)
3. Natural Resources Production
4. Transportation and Communication

7:30 P. M.—Annual Meeting Dinner

Thursday, May 5

9:40 A. M.—General Session

1:00 P. M.—Golf Tournament

APPENDIX F

During the latter part of 1921, at the invitation of President Gompers, a conference of several attorneys was held at the offices of the Federation in Washington for the purpose of considering ways and means for dealing with the problem. A committee of these attorneys was finally appointed and a bill prepared, but was not introduced in Congress because of pending cases before the Supreme Court which the Federation did not want to prejudice. Subsequently the attorney for the Federation suggested that Professor Sayre of Harvard look over the bill and offer criticism.

On November 20, 1922, another conference of lawyers was held in the Executive Chamber of the Federation to consider the injunction question and the legal rights of trade unions in industrial disputes. Nothing much was done except to suggest that these questions should be submitted to the various attorneys present with the request that they each prepare a statement as to the best wording to be used in bills to be presented to Congress. In conformity with this suggestion Mr. Gompers submitted these questions to a number of attorneys for their considerations.

Mr. Ralston, attorney for the Federation, in a letter dated January 24, 1923, and sent to Mr. Gompers, stated that he had again gone over the proposed act which had received some attention during the early part of 1922 and suggested that the bill be sent to Professor Sayre and Professor Frankfurter of Harvard, for criticisms and suggestions. This Mr. Gompers did in a letter dated January 26, 1923. On February 13, 1923, Professor Sayre replied submitting a draft of his own for the Federation's consideration. In a letter dated June 15, 1923, from Mr. Frey, of the Executive Council of the Federation, to Professor Sayre, attention was called to the fact that previous Federation Bills on the subject had united all questions in one measure.

On Sunday, September 9, 1923, Professor Sayre, Mr. Ralston, Mr. Roberts and Mr. Gompers held a conference in Mr. Gompers' office and agreed that two bills would be necessary—one regulating the jurisdiction of the equity courts, and another defining what labor might do in industrial disputes. At the suggestion of Professor Sayre, it was decided to follow the German practice and submit the proposed bills to a number of lawyers for criticism. On September 13, 1923, therefore, a letter and copies of the bills prepared by Sayre were sent to a large number of lawyers and friends for their criticism.

In a letter of Mr. Frey to Miss Guard dated February 18, 1924, however, it apears that in addition to the drafts of Professor Sayre and Mr. Ralston, there were also other drafts under consideration, one prepared by Mr. Gompers, and another by Mr. Furuseth. On Monday morning, therefore, we find a conference being held in the office of Mr. Gompers, attended by Gompers, Wallace, McGrady, and Ralston, all members of the Federation, and four others. Sayre was not present. After an exhortation by Mr. Gompers, Senate Bill 2760, introduced by Senator Shipstead, was read, and Mr. Furuseth suggested that the whole problem be approached from a different angle, and that all rights of the equity courts to issue injunctions—except in the case of property rights—be taken away, and property rights be defined. Ralston, however, believed that the courts would hold the Shipstead act unconstitutional. Furuseth then submitted a draft and Ralston was asked to take that draft and draw up a bill. This draft, submitted by Mr. Ralston on the 24th of April, was subsequently amended by Mr. Gompers and Mr. Furuseth, May 6, 1924. On April 29, 1924, Mr. Furuseth wrote Mr. Ralston as follows:

> Somehow or other, I am not quite satisfied with it (Ralston's draft) and so far I have not been able to make up my mind as to why I am not satisfied. It may be that the definition of property is not clearly enough stated to make the prohibition against injunctions applicable to labor disputes unnecessary.

It is quite apparent from a letter of Mr. Woll to Mr. Frey that Gompers did not favor Sayre's bill, whether because of the criticisms that came in after the bill had been circulated among the lawyers, or whether because of the attitude of Furuseth. There seems to have been considerable distrust of lawyers. Woll's letter was dated October 25, 1924.

On the 8th of December, 1925, a Mr. Hunt transmitted a memorandum on the power of Congress to confine controversies relating to contracts of employment to Federal Law Courts, excluding the same from courts of equity. The death of Gompers had transferred the whole problem to Green. On December 22, 1925, Mr. Woll, as Director of Legal Information, sent to a list of lawyers a letter containing copies of two bills, one dealing with the equity jurisdiction of the Federal Courts, the other with conspiracies in trade and labor disputes. In reply to this letter Senator Shipstead wrote on December 30, 1925:

> A year ago a Mr. Spelling, an attorney of Chicago, sent me a copy of a bill that he asked me to introduce. There were some things about it I didn't like, but with some changes I made I introduced it in the hope that we could get a hearing on the bill. After it had been introduced Andrew Furuseth informed me that the American Federation of Labor was trying to arrive at a definite conclusion upon what they considered to be a proper injunction bill and also for other reasons I desired not to ask for a hearing last year.

A letter from Senator Norris expressed sympathy; a long letter discussing the whole question came from the Legislative Reference Library, Madison, Wisconsin, dated January 12, 1926. A letter from Ernest Freund, dated January 13, 1926, stated that:

> An anti-injunction bill, to have the slightest chance to be seriously considered, must proceed by prohibiting injunctions in specific cases, and not by barring them generally, subject to specified exceptions.

Subsequently, Mr. Woll had a conference with Professor Frankfurter and Professor Sayre in Boston, February, 1926.

During the session of 1926-27, which was a short session of Congress, little progress was made. The bill which was introduced in the first session of the Seventieth Congress seems to have had the support of the Federation. The same was introduced by Shipstead, and seems to reflect the views of Furuseth as expressed in his first draft.

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